The Foreign Relations of China

PART III

The Policy of Japan in China

A DISSERTATION

Submitted to the Board of University Studies of the Johns Hopkins University in conformity with the requirements for the degree of Doctor of Philosophy.

By

Mingchien Joshua Bau

May, 1921

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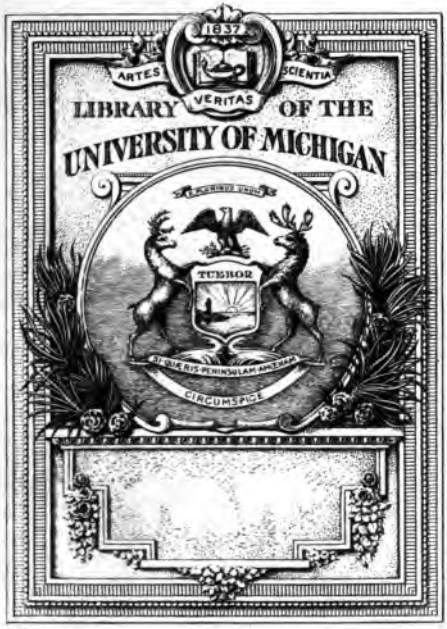
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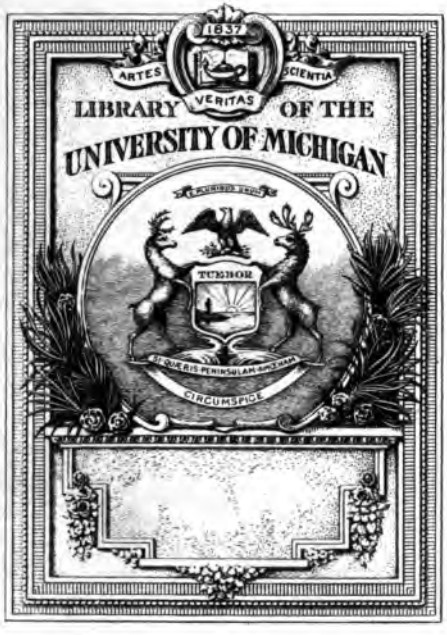
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PART III

THE POLICY OF JAPAN IN CHINA

X

THE DEVELOPMENT OF JAPAN'S POLICY IN CHINA

THE development of Japan's policy in China turned on three successive wars—the Chino-Japanese War (1894-1895), The Russo-Japanese War (1904-1905) and the World War (1914-1918). At each of these successive milestones, it has taken a new turn and a new development.

The first stage of Japan's policy was reached in the Chino-Japanese War. It was characterized by the intense national desire to recover judicial and tariff autonomy, and to achieve the status of national equality. Thus the policy of this period, both internal and external, was directed primarily to the upbuilding of a new Japan which could stand on the footing of equality with the Western Powers. In 1897, when the goal of national equality had been reached, Count Okuma said in the House of Representatives: "The national policy, the so-called opening and development of the country, or in other words, this principle of attaining an equal footing with the Powers was, I firmly believe, the motive that has enabled Japan to become a nation advanced in civilization and respected by the world." [1]

During this period, while the primary concern of Japan was her own development, she was none the less concerned with the independence of Korea, and this because the independence of Korea is indispensable to her safety. Korea is so located geographically in relation to Japan that any attempt to invade the latter from the mainland must first conquer Korea and make that nation a stepping-stone to Japan's subjugation. So, to allow any for-

eign Power to hold Korea therefore was, as the Japanese statesmen put it, to allow that Power to hold a dagger at the heart of Japan. For measures of self-defense, therefore she must maintain the independence of Korea.

Holding such a policy, Japan's first object of attack was naturally China, who claimed suzerainty over Korea. To free Korea from the control of China was therefore one of the cardinal principles of her foreign policy. As we have seen,[2] as early as 1876, she had concluded a treaty with Korea [3] recognizing the independence of that state, thus ignoring the suzerainty of China. Again, in 1884, to settle the collision between the Chinese and the Japanese troops in Korea, a convention was arranged that, in case of despatching troops to Korea, previous notice in writing had to be given each to the other,[4] thus successfully limiting the suzerain rights of China, and meanwhile asserting Japan's joint influence over Korea. Finally, in 1894, when, on account of the Tonghak Rebellion, the forces of the two states were brought face to face in Korea, and although the rebellion had already been suppressed by the Korean soldiers, and China had already suggested a simultaneous withdrawal, Japan nevertheless refused to retire. On the contrary she insisted on coöperating for the reformation of the internal administration of Korea, to which China refused to accede. Conflict could have been avoided, had Japan so desired, but she had already determined on her policy which was to extinguish the suzerain claims of China, achieve the independence of Korea, attain a footing of national equality with a defeated China. Thus resolved, and the incident of Kowshing having offered the pretext,[5] she forced the war.

Having demonstrated her national prowess, she made good use of her victories to consolidate her own position of national equality. By the treaty of Shimonoseki, apart from the recognition of Korean independence, the cession

of the Pescadores, Formosa and Liaotung, and the indemnity of 200,000,000 Kuping taels, she obtained the abrogation of all previous treaties and the conclusion of new ones to be based on "the treaties, conventions and regulations now subsisting between China and European powers,"[6] thereby placing herself on a par with the Western Powers in relation to China. Subsequently, in pursuance of the provision, she concluded the Treaty of Commerce, signed at Peking, July 21, 1896, by which she secured extraterritorial jurisdiction[7] and the most favored nation treatment.[8] Meanwhile, vis-à-vis the Western Powers, she concluded one treaty after the other, recovering her judicial and tariff autonomy, until June 30, 1899, when "the operation of all the old treaties came simultaneously to an end and for the first time in history, large, rich and intelligent European communities became subject to the unfettered jurisdiction of an Oriental Non-Christian Power."[9]

Although the goal of national equality had been reached, a new menace, more threatening than Chinese influence in Korea, arose upon the horizon of the Japanese mind, and dominated the second stage of the development of Japan's policy. This new menace was the Russian advance in Manchuria. In concert with France and Germany, Russia interposed the tripartite intervention against Japan's possession of Liaotung, which compelled her to disgorge the territory for an additional indemnity of 30,000,000 Kuping taels.[10] This act of intervention, initiated by Russia,[11] so incensed Japan that thenceforth, she made the grim resolve to face the new menace.

"It became to her as clear as daylight that the new position she had acquired in the Orient by her victory over China could be maintained, and even her independence must be guarded, only by an armament powerful

enough to give her a voice among the first class Powers of the world. If she could not retire into herself, and finally cease to exist, she must compete with the greatest nations, not only in the arts of peace, but also in those of war. Moreover, a far vaster conflict than she had ever known in her history, excepting the Mongol invasion of the thirteenth century, was seen to be awaiting her . . . . The only course to save her seemed to be, now as at any other recent crisis of her life, to go forward and become equal to the new expanding situation." [12]

Actuated by this high resolve, she bent all her energy on the day when she would come to grapple with the new menace.

Working day and night in preparation for the coming crisis, Japan abandoned her old hostility toward China and espoused the Open Door policy. Responding readily to Secretary Hay's circular note of 1899, she gave her "assent to so just and fair a proposal of the United States, provided that all the other Powers concerned shall accept the same." [13] During the Boxer Uprising, her soldiers exemplified both courage and orderly conduct, and in the negotiation for settlement, she sided, mainly, with Great Britain and the United States.[14] As against the Russian Convention in regard to Manchuria, and the Seven Articles, joining Great Britain and the United States, she entered repeated protests.[15] During the negotiations attending the conclusion or the Anglo-Japanese Alliance Count Hayashi, in response to Lord Lansdowne's inquiry as to Japan's policy in China, replied: "As I have before stated, we entirely agreed with the British policy in Eastern countries. That is to say, we wish to maintain the territorial integrity of China and the principle of equal opportunity." [16] And when the Alliance was concluded, the preamble read:

"The governments of Great Britain and Japan, actuated solely by a desire to maintain the status quo and general

peace in the extreme East, being moreover specially interested in maintaining the independence and territorial integrity of the Empire of China and the Empire of Korea, and in securing equal opportunities in these countries for the commerce and industry of all nations, hereby agree," etc.[17]

Finally, in the negotiation with Russia just prior to the declaration of war, Japan repeatedly insisted on the integrity of China in Manchuria, the observance of which Russia repeatedly refused to pledge. Thus, during the period, when she was feverishly preparing for her clash with Russia, Japan was a consistent upholder of the Open Door doctrine in China.

After the victories she achieved in the Russo-Japanese War, the policy of Japan took a radical turn in China. Instead of setting her face against Russia, she set it in the direction of the mainland of Asia. In other words, she launched her policy of continental expansion. When Komura left for Portsmouth, he had already formulated the plan of a Greater Japan.

"On the Asian continent he would create a Greater Japan. . . . Manchuria and the road to Europe must be won. In the Portsmouth deliberations, August 10 to September 5, 1905, Russia agreed to share with Japan all her special rights in the Chinese Empire and, accordingly turned over to her the texts of all her previous treaties with China . . . what was wanted was that which could guarantee Japan's future—a foothold on the Continent, control of high seas to Europe, preponderance in the development of Manchuria, the subordination of China, and the friendship of Russia . . . all their ends for which the war had been fought—had been settled in Komura's mind before leaving Japan and were won at Portsmouth." [18]

Upon his transfer from London to the Japanese Foreign Office, Hayashi, like Komura, laid down the policy,

that was to be carried out by all diplomatic agents of Japan. This policy was a peaceful penetration of China by means of commercial and economic expansion, backed by diplomatic pressure and armed force, with a view to eventual political control. Industrial expansion was to be assisted by political expansion, and *vice versa*. Without commercial expansion, political control would be hollow; without political control commercial expansion would be unsafe and unstable.[19]

To execute this policy of continental expansion, Japan had to make certain strategic moves. The first was the subjection and annexation of Korea. Just as any power attempting to invade Japan from the direction of the mainland must first conquer Korea, so likewise Japan must first subjugate and control Korea and make that state a first step toward the domination of Eastern Asia. After her declaration of war on Russia, she established her protectorate over Korea,[20] appointed advisers to control finance and foreign relations,[21] and took over the communication systems—post, telephone, telegraph—amalgamating them with her own.[22] Immediately upon the conclusion of the war, she took over the foreign relations of Korea, as the first step towards final annexation.[23] In the Anglo-Japanese Alliance, dated August 12, 1905, she obtained the recognition of her paramountcy over Korea and of her right "to take such measure of guidance, control and protection in Korea as she may deem proper and necessary"[24] (Art. 3). In his letter to Sir C. Hardinge, the British Ambassador to Russia,[25] Lord Lansdowne said: "It has, however, become evident that Korea, owing to its close proximity to the Japanese Empire and its inability to stand alone, must fall under the control and tutelage of Japan." In 1907 the administration of Korea was placed under the control of the Japanese Resident-General.[26] In 1910, the annexation of Korea was consummated.[27] Thus, Japan completed her first step in continental expansion.

Having made Korea a stepping-stone, she was ready to pursue her policy in China. She wanted to exploit the latter's natural resources. She desired to dominate, if not actually to annex, South Manchuria and Eastern Inner Mongolia; she was anxious to displace foreign influence in China by her own paramount influence; she yearned to establish an Asiatic Monroe Doctrine, and, above all, designed to obtain the control of the Peking Government. All these things she aimed to do, but she found there was one great obstacle in her way, and that was the presence in China of the European Powers. Because of the balance of power, she was not able to move in the direction she wished, without arousing the jealousy and opposition of the other Powers. She had to wait for the opportunity.

But the Great War came in 1914, and the chief attention of the rival Powers was transferred to the battlefields of Europe. By Japan, this was regarded as an opportunity sent by Providence. A Black Dragon Society appeared and urged the government to solve the Chinese question at the opportune moment,[28] by the formation of a defensive alliance with China, based on a set of terms, which well reflected those of the subsequent Twenty-one Demands:

"Now is the most opportune moment for Japan to quickly solve the Chinese question. Such an opportunity will not occur for hundreds of years to come. Not only is it Japan's divine duty to act now, but present conditions in China favor the execution of such a plan. We should by all means decide and act at once. If our authorities do not avail themselves of this rare opportunity, great difficulties will surely be encountered, in future in the settlement of this Chinese question. Japan will be isolated from the European Powers after the war, and will be regarded by them with envy and jealousy just as Germany is now regarded. Is it not then a vital necessity for Japan to solve at this very moment the Chinese question?"[29]

Japan struck while the iron was hot. She ousted Germany from Shantung and made herself that nation's successor, thus extending her influence over the Yellow River Basin. She then lowered the mask she had been wearing because of the presence of the other Powers in the Orient, and revealed her real intentions regarding China. She presented the Twenty-one Demands which form the best single document exposing Japan's policy in China (this subject will be discussed in a subsequent chapter).[30] Having failed to force Group Five on the Chinese Government, she changed her tactics and resorted to indirect attack, through indiscriminate loans and the manipulation of the Pro-Japanese Anfu Club then in control of the Peking Government. This, however, also failed, because of the termination of the World War and the consequent return of the Powers, and especially because of the victorious arms of General Wu Pai-fu who destroyed the power of the Anfu Club and saved the Peking Government from its deadly grip. When, therefore, Hara came to office in 1918, he was compelled once more to put on the mask which Okuma had discarded, and resumed the policy toward the Powers of international coöperation.

During this period, Japan supplemented her policy of advance in China by various agreements with the Powers so as to avoid unnecessary conflicts. This was one of the policies laid down by Hayashi—the policy of simultaneous political and economic expansion, facilitated by international agreements.[31] Discarding her old hostility, therefore, and adopting a policy of friendliness toward Russia, she concluded the agreement of 1907, pledging to maintain their respective *status quo*.[32] As a result of this understanding, she failed to protest against the Russian establishment of the municipal administration in Harbin in 1907, which right she had denied Russia before the Russo-Japanese War. Reacting against the intrusion of the Knox neutralization plan, she entered the second

agreement with Russia, on July 4, 1910, engaging to take common measure against outside interference with their interests within their respective spheres of influence.[33] During the War, she entered into a secret treaty of alliance with Russia in 1916, mutually promising armed assistance in case of war.[34] Likewise in 1907, she arranged an agreement with France,[35] Russia's ally in the Dual Alliance, for mutual support in their respective spheres in Asia, thereby incidentally facilitating the flotation of her loans in Paris and promoting her own trade in Annam.

Meanwhile, her relations with the United States became more and more unsatisfactory and, at times, even strained. In launching her policy in China, she realized that the power that would most likely stand in her way of achievement was the United States, who with her espousal of the Open Door doctrine, stood as a guardian over China. She took offense at the terms of the Portsmouth Treaty, and, more so, at the Anti-Alien Land Law and the California School Incident. In concert with Russia, she rejected the neutralization plan of Secretary Knox. During the World War, resenting Wilson's friendly note of 1917 to China which it was claimed, ignored the special position of Japan in China, she despatched the Ishii Mission and obtained recognition from the United States Government of her special interests in China.

Likewise, her relation with Great Britain became less cordial. The Anglo-Japanese Alliance of 1911 exempted the United States from the force of the Alliance—the very nation against whom she would have the Treaty direct its application[36] (Article 4). Article five of Group Five of the Twenty-one Demands asked for railway concessions in the Yangtze Valley which conflicted with British interests (Article 5, Group 5).[37] The general aggressive nature of the Twenty-one Demands, especially Group Five, brought forth a storm of protest in the British press.[38] As a reaction, especially after the

failure of Group Five, the Japanese press conducted an anti-British campaign[89] and the Japanese entered meanwhile, in 1916, into a secret alliance with Russia. Above all, the Japanese ambition of winning trade predominance in China conflicted irreconciliably with the British policy of maintaining commercial supremacy.

Summing up the development of Japan's policy in China, it may be said that, during the first stage culminating in the Chino-Japanese War, this policy was directed primarily to the achievement of national equality and the independence of Korea; that during the second period, ending with the Russo-Japanese War, it was centered on the coming struggle with Russia and the maintenance of the Open Door Doctrine in China; but that, with her victory over Russia, came a sharp change in her policy, and she launched upon a career of continental expansion, treading down a martyred Korea and menacing the integrity of China.

NOTES TO CHAPTER X

1. Alfred Stead, Japan by the Japanese, p. 219.
2. Vide supra, chapter on the Loss of Dependencies.
3. State Papers, Vol. 67, pp. 530-533.
4. State Papers, Vol. 76, pp. 297-298.
5. Vide supra, chapter on the Loss of Dependencies.
6. Hertslet, Vol. 1, p. 364, Art. 6.
7. Hertslet, Vol. 1, p. 379 et seq., Arts. 20, 21, 22.
8. Hertslet, Vol. 1, p. 381, Art. 25.
9. J. H. Longford, The Evolution of Japan, p. 81.
10. Vide supra, chapter on the International Struggle for Concessions.
11. Count Witte, My Dealings with the Li Hung Chang, World's Work, Jan., 1921, p. 300 et seq.
12. K. Asakawa, The Russo-Japanese Conflict, p. 79-80.
13. U. S. Foreign Relations, 1899, p. 139, Viscount Aoki to Mr. Buck, Dec. 26, 1899.
14. Morse, The International Relation of the Chinese Empire, Vol. 3, Chapters 10, 11, 12.
15. Vide supra, chapter on the International Struggle for Concessions.

16. A. M. Pooley, The Secret Memoirs of Tadasu Hayashi, p. 134.
17. State Papers, Vol. 95, pp. 83-84.
18. Dr. W. E. Griffith's statement in New York Sun, May 30, 1915, quoted in Bashford, China an Interpretation, p. 387 et seq.
19. Pooley, Japan's Foreign Policy, p. 47 et seq.
20. State Papers, Vol. 98, p. 842, Protocol of Seoul, February 23, 1904.
21. State Papers, Vol. 98, p. 843, Agreement of Aug. 22, 1904.
22. State Papers, Vol. 98, pp. 1137-1139, Agreement of April 1, 1905.
23. State Papers, Vol. 98, pp. 1139-1140.
24. State Papers, Vol. 98, pp. 136-138.
25. Millard, Our Eastern Question, Appendix L, p. 452, the Marquess of Lansdowne to Sir C. Hardinge, Sept. 6, 1905.
26. State Papers, Vol. 101, p. 280, Agreement of July 24, 1907.
27. State Papers, Vol. 103, p. 992, Treaty of Annexation, Aug. 22, 1910.
28. Putnam Weale, The Fight for the Republic in China, p. 125 et seq.
29. Weale, ibid., p. 128, Memorandum of the Black Dragon Society.
30. See chapter on The Twenty-one Demands as an Illustration of Japan's Policy in China.
31. Pooley, Japan's Foreign Policy, p. 47.
32. MacMurray, 1907/11.
33. MacMurray, 1910/1.
34. MacMurray, 1916/9.
35. MacMurray, 1907/7; Millard, Our Eastern Question, App. M, pp. 457-458.
36. State Papers, Vol. 104, p. 174; Millard, Our Eastern Question, p. 456.
37. The Sino-Japanese Negotiations, Chinese Official Statement, 1915, p. 22.
38. Millard, Our Eastern Question, p. 239 et seq.
39. Ibid., p. 247 et seq.

XI

THE POLICY OF ECONOMIC EXPLOITATION

THE present policy of Japan toward China has five clearly defined objectives in view. They are: Economic Exploitation, Territorial Expansion, Paramount Influence, Political Control and the adoption of an Asiatic Monroe Doctrine.

Moreover, this policy turns on two fundamental problems: The first is that of Japan herself, arising out of her growing population and the limitations of territory and natural resources of the islands. This results in the adoption of the policy of territorial expansion, and the policy of economic exploitation. The other problem is that of China arising out of the international struggle for concessions and the latter's apparent inability to resist Western aggression. This predominance of Western influence endangers the safety of Japan. The second problem leads to the adoption of a policy of paramount influence, political control and an Asiatic Monroe Doctrine.

As already stated, the policy of economic exploitation is one of two alternative ways of meeting the population problem. As population increases, territory must be expanded, and the art of living raised; otherwise the standard of living will be lowered. Excluding consideration of allowing the standard of living to deteriorate, increasing population must be met either by territorial expansion and economic exploitation abroad, or industrial development at home, or by both. Japan chooses to solve the problem by both means.

The population in Japan proper is 57,070,936[1] (on December 31, 1918), and the land area of Japan proper

amounts only to 148,756 square miles.[2] Dividing the land area by the population, the density of population per square mile is 384. In comparison with this density in other nations, Japan ranks next only to Belgium with 659.4 and Holland with 474.3, and rivals Great Britain with 370.8.[3] Adding to this density, the annual net increase is about 700,000, or 12.75 per thousand.[4] At this rate, the present population will be doubled in about half a century.

Closely associated with the problem of increasing population, and in fact constituting an integral part of the same problem, is the question of food supply. It has been estimated that in Japan the per capita consumption of rice in a year is one Koku (5.11902 bushels U. S. A.).[5] Calculating on this basis, and Japan's population numbering 57,070,936, the consumption in 1918 was therefore reckoned at approximately 57,070,936 Koku. "Against this, the total yield of rice in a normal year is 52,000,000," or 5,070,936 less than the need.[6] Balancing yearly the export of from 600,000 to 700,000 Koku for the 400,000 Japanese residing abroad with the import of 1,500,000 Koku from Korea and Formosa and a little over 1,000,000 from Saigon, the supply is still short by about three or four million Koku, which means that three or four million mouths would be left unfed, unless the requisite supply of rice could be procured elsewhere.[7]

Confronted with the intense pressure of population against food supply, Japan is driven to become an industrial and commercial nation. Just as Great Britain, Belgium and Holland—all with growing populations and comparatively small areas—met their population problems through the development of industry and commerce, so likewise Japan bends all her energy toward a similar course of development.

In her attempt to do so, however, she finds herself deficient in coking coal, iron and steel—the essentials of modern industry. She was able to produce in 1918, 28,-

029,000 m. tons of coal,[8] but she was not able to secure sufficient coking coal, indispensable to the steel industry.[9] In accordance with the estimates of the Japanese Economic Investigation Commission, created during the Okuma Ministry, the demand for pig iron, while not exceeding the supply in 1918, will be 743,000 tons for 1928, and the production of the same in Japan proper, in 1921 and thereafter, will be only 611,500 tons, thus giving rise to a shortage which must be filled by the production in Korea, Manchuria and China; [10] and the demand for steel in 1918 was 1,113,000 tons, and the output in Japan proper only 765,000 tons, and in 1928 the demand will be 2,112,000 and the yield in 1921 and thereafter only 1,-090,000 tons,[11] thus giving rise to a shortage of steel in 1918 at 348,000 tons and in 1928 at approximately 1,022,-000 tons.

Before the World War, Japan relied upon Belgium and Great Britain for her supply of steel. After the outbreak of the war, she turned to the United States. But when, in July, 1917, the United States put an embargo on steel, Japan's supply was cut off, and her ship-building industries and iron-works almost came to a complete halt. "Never before did Japan realize so keenly as on that occasion the precarious nature of her industrial structure, depending upon foreign countries for the supply of steel." [12]

Thus handicapped by nature, and yet at the same time driven by circumstances to become an industrial and commercial nation, Japan devoted attention to finding a field where she might obtain the necessary elements for the stability of her economic structure. Surveying the regions of the world, she finds China, her next-door neighbor, the logical and natural field for commercial expansion. There the teeming millions offer a market for Japanese manufactured products. There unbounded natural resources, especially coal, iron and steel, furnish the neces-

sary sinews for Japanese industries. There the comparative shortness of distance, the affinity of language and race, and the potential increase of Chinese prosperity—all indicate that nature has provided a special field of economic activity for the Japanese. Conceiving this to be her destiny, she sets her face like a flint toward China with the policy of economic exploitation.

The first region in China to be exploited is South Manchuria. By virtue of the Treaty of Portsmouth, she obtained from Russia transfer of the lease of Port Arthur and Talien-Wan and the cession of the Chinese Eastern Railway from Changchun to Port Arthur,[13] with the adjoining mines. Possessed of these railway and mining interests, the Japanese Government organized the South Manchuria Railway Company. The capital is 200,000,000 Yen, one-half held by the Japanese Government, represented by the Manchurian railway and accessories and the coal mines at Fushan and Yentai, the other half offered to private investors, the Japanese Government guaranteeing a profit of six percent on the paid-up capital for fifteen years.[14] Actually, however, the government owns four-fifths of the paid-up capital and appoints the president, vice-president and directors.[15] It can therefore be said that the South Manchuria Railway Company is merely a name, and that the Japanese Government is the real factor exploiting the resources of South Manchuria.

The company runs its main line from Dairen to Changchun, the Port Arthur Branch Line, the Yingkow, Fushan and Yentai Branches, and the Mukden-Antung Line, making 692.7 miles in all.[16] Besides the railways, it also maintains a regular shipping service between Shanghai and Dairen, and also a South China coastwise service. It has rebuilt the second quay, and constructed breakwaters, and a third quay, in the harbor of Dairen, all of which have been completed. Further, it operates electric power

stations at Dairen, Mukden, Changchun, Antung, Fushan and Yentai, and electric tramways and gas industries at Dairen and Fushan.[17] In addition, the company manages its own hotels—all bearing the name of the "Yamato Hotel"—at Dairen, Hoshigaura (suburbs of Dairen), Port Arthur, Mukden and Changchun. Besides these in the railway zone, it maintains, according to the report at the end of March, 1918,[18] eleven hospitals, twenty primary schools, eleven Chinese common schools, thirty-two business schools, ten girls' practical schools, one medical school (at Mukden), a technical school, and a teachers' training institute at Dairen, one polytechnic laboratory, two agricultural experimental stations, thirteen farms and seventeen water works.[19]

Furthermore, the company is engaged in the operation of the mines, which form one of its most important undertakings. The Fushan Colliery, situated about twenty-two miles east of Mukden, contains a deposit of an average of 130 feet in thickness, "runs for about twelve miles parallel to the River Hun," and yields a total output of 6,000 tons a day, (or 2,275,905 tons in 1918). "The quality, too, is excellent, being of strong caloric power and containing very little sulphur." [20] The Yentai Coal Field, northeast of Liao-yang, yields an output of 247 tons daily or (113,679 tons in 1918).[21] "The coal is soft and pulverizable and emits but little smoke." [22] Among the new undertakings, the iron foundry at Anshantien yields an initial output of 150,000 tons which will be ultimately increased to 1,000,000, "the ore at Anshantien being almost inexhaustible." [23] The glass works, the porcelain and the fire-proof tile factory have begun to send forth their new products.[24;25]

Besides the activities of the South Manchuria Railway Company, the Japanese Government has other railway interests in South Manchuria and even in Eastern Inner Mongolia. In accordance with the treaty of April, 1917, she completed the construction of the Kirin-Chang-

chun Railway on October 16, 1912.[26] The South Manchuria Railway furnished half of the capital, repayable by the Chinese Government twenty-five years from the date of the opening.[27] In the Treaty of May 25, 1915, the revision of the Kirin-Changchun Railway loan agreement was stipulated, "taking as a standard the provisions in railway loan agreements made heretofore between China and foreign financiers," (Article 7), and also engaging the Chinese Government to extend to this railway any better terms which might be granted to other railway contractors (Article 7). "The effect of this undertaking," said the Chinese official statement of 1915, "is to transfer the capital originally held by the Chinese, as well as the full control and administration of the railway, to the Japanese." [28] By the exchange of notes on October 5, 1913,[29] Japan obtained the railway concessions from Supingkai via Chengchiatun to Taonanfu, from Kaiyuan to Hailungchang, and from Changchun to Taonanfu. By the preliminary agreement for loans to build four railways in Manchuria and Mongolia on September 28, 1918,[30] the construction of the four railways was contracted, from Jehol to Taonan, from Changchun to Taonan, from Kirin via Hailung to Kai-Yuan, and from a point between Jehol and Taonan to some point on the seacoast. All these railway concessions, with the single exception of the Taonanfu-Jehol Railway and the railway connecting a point on the Taonanfu-Jehol Railway with a seaport, are to be outside of the scope of the New International Banking Consortium.[31] Aside from these, under the Terauchi Cabinet, the Kirin-Hueining Railway loan was contracted in 1918,[32] and a loan of 30,000,000 Yen was made with all the forests and gold mines in Kirin and Heilungkiang as securities.[33] In the same year, a concession for continuing the Kirin-Changchun line to the Korean border was granted.[34]

More than these, the Treaty of May 25, 1915, respecting South Manchuria and Eastern Inner Mongolia, con-

ferred greater economic privileges on the Japanese in South Manchuria than ever before. The terms of the South Manchuria Railway and the Antung-Mudken railway are to be extended to ninety-nine years (Article 1). The whole of South Manchuria is to be opened to the Japanese (Article 3). Japanese subjects are to be permitted to lease, by negotiation, land necessary for building, trade, manufacture and farming (Article 2).[35] The term "lease by negotiation" is understood "to imply a long term lease of not more than thirty years and also the possibility of its unconditional renewal."[36] Finally, the Japanese subjects are granted privileges to prospect and select mines in the following areas in South Manchuria:[37]

FENGTIEN

Locality	*District*	*Mineral*
Niu Hsin T'ai	Pen-hsi	Coal
Shin Shih Fu Kou	Pen-hsi	"
Sha Sung Kang	Hailung	"
T'ieh Ch'ang	Tung-hua	"
Nuan Ti T'ang	Chin	
An Shan Chan Region	From Liaoyang to Pen-hsi	" Iron

KIRIN (southern portion)

Locality	*District*	*Mineral*
Sha Sung Kang	Holung	Coal & Iron
Kang Yao	Chi-lin (Kirin)	Coal
Chia P'i Kou	Hua-tien	Gold

Turning now from South Manchuria to Shantung, we see Japan pursuing the same policy of economic exploitation. As we have seen, by the Treaty of May 25, 1915,[38] respecting Shantung, she caused China to agree "to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions which Germany, by virtue of treaties or other-

wise, possesses in relation to the Province of Shantung" (Article 1), thus virtually compelling the Chinese Government to a full assent to the contemplated succession of Japan to the German rights in Shantung. By Articles 156, 157, 158 of the Treaty of Peace with Germany signed at Versailles on June 28, 1919, she obtained the transfer by Germany of all the German rights in Shantung, including the lease of Kiaochow, the submarine cables from Tsingtau to Chefoo and from Tsingtau to Shanghai, the Tsingtau-Tsinan Railway and the adjoining mines. Thus, she made herself the sole successor to Germany in that Province.

Pursuing the policy of economic exploitation in Shantung, as elsewhere, the Tsingtau-Tsinan line yielded in 1917-1918 gross receipts of 8,196,146 yen as against an expenditure of 6,155,627 yen, making a total profit in that year of 1,644,519 yen.[39] Apart from this railway in operation, Japan has obtained by the Treaty of May 25, 1915, a concession to finance the railway from Chefoo or Lungkow connected it with the Kiaochow-Tsinanfu Railway (Article 2);[40] and by the Treaty of September 28, 1918, the concessions of the Chinan-Shunteh and Kaomi-Hsuchow Railways.[41]

In addition, she controls the mines in Shantung formerly belonging to the Germans. The Chunghsiang Colliery has an established annual output of 250,000 tons, the Hungshan mines 800,000, the Poshan mines 250,000, the Shantung Besybau 560,000, and the Tzechuan Colliery 1,000,000.[42] The Fangtze Colliery is, however, not so promising. It contains 528 square kilometers of coal deposit, but it is estimated that it will yield only one million tons more.[43] The Chinlingchen iron mines have a deposit of 310 square kilometers, and the quality and quantity are promising.[44]

Respecting the industrial progress of Tsingtau made under the Japanese Administration, the Japan Year Book says:[45]

"In Tsingtau alone exist about twenty-five factories of note backed by a capital of 50 million yen. Contrasted with the 17 years of German rule, during which time Tsingtau had only one beer brewery and two egg powder manufacturing companies, the development made during the last few years in this direction may be said to have been marked. These new enterprises are mostly Japanese and include milling, brewery, tanning, packing, soap making, oil, match and salt manufacturing, etc. The electric works are government monopoly."

Passing from Shantung, the next field of exploitation to be considered is the Hanyehping Company and its accessories, a company composed of the Hanyang Iron Works, the Tayeh Iron Mines and Pinghsiang Colliery, corresponding in significance and influence to the Bethlehem Steel Corporation. The Tayeh iron field is among the richest in the world. "It consists of a range of nine low hills, containing sixty-seven percent of iron ore. The official Japanese survey of the mine proper states that the iron vein is 265 feet thick and of immeasurable length and depth, the amount of ore being estimated at 700,000,000 tons.[46] It yields an annual output of 700,000 tons.[47] The Pinghsiang coal field in Kiangsi covers a total area of over 200 square miles, of which only twenty-one square miles are yet being worked. It has a possible supply of 500,000,000 tons and an annual output of 750,000 tons.[48]

Before the Chinese Revolution, Japan had contracted with the company for the supply of pig iron and iron ores, which went to the Japanese Imperial Iron Works at Wakamatsu. During the Revolution, when the Hanyehping was closed, the Japanese Imperial Iron Works at Wakamatsu had to stop and make contracts with the Tata Company at Bombay.[49] After the revolution, in 1913, Japan effected a loan of less than £2,000,000 to the Hanyehping Company through Shen Kun-pao, the largest share-holder of the Hanyehping. Yuan Shih-Kai vetoed

the loan agreement as being contrary to the mining laws of 1913, but it was of no avail, as the decree was issued after the contract had been concluded.[50]

The Japanese Loan was made upon the security of the property of the company, and on these conditions: First, the Hanyehping Company shall repay it in forty years by sale of fifteen million tons of iron ore and eight million tons of pig-iron in addition to the amount already contracted for. Second, the Japanese shall have preference in future loans. Third, the company shall employ a Japanese "highest engineering adviser" and an "auditor adviser." Further, the title deeds of the Company shall be deposited in a safe having two keys, of which the Japanese shall hold one.[51] By means of this loan transaction, thirty-three percent of the entire output of iron ore and about fifty percent of the entire yield of pig-iron are at present to go to Japan annually; and this in spite of the rise in value of these exports from two million taels in 1913 to nineteen million taels in 1918.[52]

As this loan did not give Japan the control of the Company, a Sino-Japanese Corporation was formed, taking over the interests of Shen Kun-pao; but the Chinese mining law of 1913, prohibiting foreigners from owning more than fifty percent of the stock of a Chinese mining company, prevented the consummation of the plan.[53] Consequently, Group Three of the Twenty-one Demands relating to the Hanyehping Company forced the Chinese Government to give assent to a joint enterprise if the Japanese and the Chinese capitalists should agree upon coöperation in future. The pledge was also secured from the Chinese Government "not to confiscate the said company, nor, without the consent of the Japanese capitalists to convert it into a state enterprise, nor cause it to borrow and use foreign capital other than Japanese." [54]

Further, Group Three of the original Twenty-one Demands revealed the designs of Japan, not only upon the Hanyehping Company, but also as to the mines of the

Central Provinces in the Yangtze Valley,—Hupeh, Hunan, and Kiangsi. It practically aimed at the monopoly of the minerals of these provinces. Article Two of Group Three of the original demands read:

"The Chinese Government agrees that all mines in the neighborhood of those owned by the Hanyehping Company shall not be permitted, without the consent of the said company, to be worked by other persons outside of the said company, and further agrees that if it is desired to carry out any undertaking which, it is apprehended, may directly or indirectly affect the interests of the said company, the consent of the said company shall first be obtained." [55]

The language of this article was so general that it could be practically made to mean the monopoly of the mines in Hupeh, Hunan and Kiangsi, where the operations of the Hanyehping Company were carried on. The mines in the neighborhood of those owned by the Company were not to be worked by other persons outside of the company, and the neighborhood was purposely left indefinite and undefined. Thus, the doors of the Central Yangtze provinces would be closed to the mining enterprises of any other party but the Hanyehping Company, of which Japan sought to make a Chino-Japanese joint concern. Again, the second part of the article requiring the consent of the company for any undertaking which might directly or indirectly affect the interests of the said Company was worded so vaguely, as to be capable of being interpreted to cover all kinds of enterprises that might compete with the company or affect its interests in any way. This would mean that, throughout China or at least Central China, the Hanyehping Company would enjoy the monopoly of the iron industry and exclude any competitors or conflicting interests. In short, had the original article been granted, Japan would have, through the instrument of the Hanyehping Company, practically

obtained the monopoly of the mines of the Central Yangtze Provinces and a monopoly of the iron industry in China.

Turning from the Hanyehping Company, Japan has interests in other parts of China. In Anhui Province, the Sino-Japanese Industrial Company owns the Taochung Iron Mines, having visible ore of 60,000,000 tons—sixty-five per cent pure.[56] Japan has concessions for large deposits in Fukien near Amoy.[57] The Terauchi Cabinet also concluded the Communication Bank Loan,[58] and the Telegraph Loan.[59] Japan can also tap the fabulous wealth of Shansi Province by the completion of the Tsinan-Shunteh line and the connection of Tsingtau-Tsinan Line with the Lung-Hai Railway.[60]

In addition to the interests already acquired, Japan has made several attempts of greatest significance to exploit the riches of China. She sought to obtain the wine and tobacco monopoly, both in trade and tax collection, by the offer of a loan of 30,000,000 yen.[61] Nishihara sought to acquire the monopoly of the foreign trade of China through the organization of the Chung Hua Trading Co., against which the United States protested.[62] In her proposal to remit the balance of the Boxer indemnity, the Japanese Government stipulated, besides the requirement of the presence of a Japanese adviser at the conference for considering proposals to be submitted by the Chinese Government at the Peace Conference, and of the abstention from foreign loans other than Japanese during the war, that Japan should direct the use of the indemnity so remitted, and control the export of China's iron, cotton and wool.[63] Finally, Japan made desperate efforts to control still other iron mines of China. The Japanese financiers, together with some Chinese, organized the Mulling Co., to develop the famous Fenghuangshan iron mines near Nanking, which has sought to obtain

a license from the Chinese Government for the undertaking. In 1918, Japan proposed a loan of 100,000,000 yen on the hypothecation of the various iron deposits in China, including those at Lung-Kwan, Shienhwa, Tayeh, Yochow, Fenghuangshan and those in Shantung and Anhui.[64]

In recapitulation, we may state that with respect to railway concessions, Japan has dominated South Manchuria, Eastern Inner Mongolia and Shantung with strategic lines; that with reference to mines, she owns or controls the two greatest collieries of China—the Fushan and the Pingshiang—and controls about forty per cent of China's total production of coal and over seventy-five per cent of the output of modern equipped mines.[65] The conclusion may also be inferred that her recent attempts indicate her desire to control, if not to monopolize, the foreign trade and iron industry of China. Thus, persistently, Japan has pursued a policy of economic exploitation in regard to China, a policy she, quite obviously, intends to continue.

NOTES TO CHAPTER XI

1. Statesman's Year Book, 1900, p. 1018, on December 31, 1918.
2. Stateman's Year Book, 1920, p. 1017.
3. K. K. Kawakami, Japan in World Politics, pp. 49-50.
4. Statesman's Year Book, 1920, p. 1018.
5. Japan Year Book, 1920-21, p. 538.
6. Japan Year Book, 1920-21, p. 538.
7. Japan Year Book, 1920-21, p. 538.
8. Japan Year Book, 1920-21, p. 559.
9. K. K. Kawakami, Japan and the World Peace, p. 163.
10. Japan Year Book, 1920-21, p. 561.
11. Japan Year Book, 1920-21, pp. 561-562.
12. K. K. Kawakami, Japan and the World Peace, p. 164.
13. U. S. For. Rel., 1905, pp. 825-826 et seq.
14. Japan Year Book, 1920-21, p. 740.
15. Lancelot Lawton, Vol. 2, p. 1165; Japan Year Book, 1920-21, p. 742.
16. Japan Year Book, 1920-21, p. 741.

17. Japan Year Book, 1920-21, pp. 741-742.
18. Japan Year Book, 1920-21, p. 742.
19. Japan Year Book, 1920-21, p. 742.
20. Japan Year Book, 1920-21, p. 741.
21. Japan Year Book, 1920-21, p. 741.
22. Japan Year Book, 1920-21, p. 741.
23. Japan Year Book, 1920-21, p. 743.
24. Japan Year Book, 1920-21, p. 743.
25. Hand in hand with the South Manchuria Railway Company there is the Manchurian Export Guild. It aims to monopolize the foreign trade of Manchuria. For a brief account see Overlack, Foreign Financial Control in China, p. 172.
26. MacMurray, 1907/3; Japan Year Book, 1920-21, p. 743.
27. Japan Year Book, 1920-21, p. 743.
28. The Chino-Japanese Negotiations, 1915, pp. 8-9.
29. MacMurray, 1913/9.
30. The Shantung Question, submitted by China to the Paris Peace Conference, published by the Chinese National Welfare Society of America, March, 1920, p. 69.
31. Lamont's Reply to Mr. Kajiwara, President of the Yokohama Specie Bank, Millard's Review, October 23, 1920, p. 386; Documents Concerning the New Consortium, released to press by the Department of State, March 30, 1921, Exchange of Letters between Lamont and Kajiwara, May 11, 1920.
32. MacMurray, 1918/9.
33. MacMurray, 1918/11.
34. Millard, Democracy and the Eastern Question, p. 191.
35. MacMurray, 1915/8; The Shantung Question, op. cit., p. 30 et seq.
36. MacMurray, 1915/8; The Shantung Question, op. cit., exchange of notes respecting the explanation of "Lease by Negotiation" in South Manchuria, pp. 33-34.
37. The Shantung Question, op. cit., p. 32; MacMurray, 1915/8.
38. MacMurray, 1915/8; the Sino-Japanese Negotiations, 1915, p. 49 et seq.
39. Japan Year Book, 1920-21, p. 746.
40. The Sino-Japanese Negotiations, 1915, p. 50.
41. The Shantung Question, op. cit., pp. 66-67; MacMurray, 1918/16.
42. Pooley, Japan's Foreign Policy, p. 192.
43. Asia, Sept. 19, p. 905.
44. Ibid.
45. Japan Year Book, 1920-21, p. 746.
46. Pooley, op. cit., p. 161; Coleman, The Far East Unveiled, p. 51.
47. Pooley, op. cit., p. 191.
48. Pooley, ibd., p. 162.
49. Pooley, ibid., p. 162.
50. Pooley, ibid., p. 162.
51. H. K. Tong, art. on Japan's Railway Program in China, Millard's Review, June 12, 1920; Coleman, op. cit., p. 63 et seq.

52. H. K. Tong, art. on Japan's Railway Program in China, Millard's Review, June 12, 1920, p. 65.
53. Pooley, op. cit., pp. 162-163.
54. The Sino-Japanese Negotiations, pp. 67-68; MacMurray, 1915/8.
55. The Sino-Japanese Negotiations, 1915, p. 21.
56. Pooley, op. cit., p. 191.
57. Millard's Review, June 23, 1917, pp. 67-69.
58. MacMurray, 1917/9.
59. MacMurray, 1918/7.
60. For a list of loans made by the Japanese from January 1, 1909, to October 25, 1918, see Millard, Democracy and the Eastern Question, p. 187.
61. H. K. Tong, art. on Japan's Seeking China's Tobacco Monopoly, Millard's Review, June 8, 1918, p. 49 et seq.
62. H. K. Tong, article on America Protests Against the Chinese Trading Monopoly, Millard's Review, November 9, 1918, p. 388 et seq.
63. H. K. Tong, article on Japan's Conditions for Remitting Her Share of Boxer Indemnity, Millard's Review, October 26, 1918, p. 303 et seq.
64. H. K. Tong, article on Japan's Newest Intrigue for Possession of China's Iron Mines, Millard's Review, January 18, 1919, p. 233 et seq.
65. Pooley, Japan's Foreign Policy, p. 192.

XII

THE POLICY OF TERRITORIAL EXPANSION

As we have already indicated, the policy of territorial expansion is one of two ways for solving the population problem of Japan. Barred by the Gentlemen's Agreement with the United States, and by the colonies of Great Britain, Japan was forced to alleviate the congestion and consequent economic misery of surplus population, by finding an outlet on the Asiatic mainland. Confined within the narrow limits of her small islands, she was in constant fear of being some day deprived of any channels of expansion and smothered. Unless she face stagnation, congestion, and misery, she must seek some territory to which she can send her surplus sons and daughters.

Searching for an outlet, she finds that her first available region of colonization is her own northern Island, Hokkaido, which can hold five times as many people as its present population of 2,200,000.[1] But the Island is mountainous and its winter severe and protracted. The second available territory is Korea, which can at least support twice as many people as her present population of about 15,000,000. But Korea has a density of population of 169 per square mile and offers no great attraction for Japanese settlers.[2] The third region that Japan logically looks to for amelioration on the mainland is South Manchuria. Though as thickly populated as Korea, great natural resources and the fertility of the soil nevertheless offer many attractions for Japanese colonization.

Aside from the natural attraction afforded by the country, Japan feels that she has a special claim to South

Manchuria. By the Sino-Japanese War, she obtained possession of the Liaotung peninsula forming the projection of the southern half of Manchuria, but because of the tripartite intervention she was constrained to disgorge this territory. Though deprived of the cession, she still cherishes the desire and hope of some day regaining it. What is more, she fought Russia and so saved South Manchuria from her clutches. She staked her whole national existence on the struggle; she spent about a billion yen and lost over one hundred thousand lives. Therefore,

"Considering that every inch of South Manchurian soil was soaked with Japanese blood and that their coffers were left sadly depleted by the war, it would not have been surprising if the Japanese in the wake of the great conflict had been tempted to regard Manchuria as their own territory by right of conquest, and to adopt these discriminating measures calculated to advance their trade." [3]

Again, it was said:

"Manchuria is consecrated to Japan by the blood of dead Japanese soldiers." [4]

Furthermore, the traditional ambition for a Greater Japan impels the government to the policy of territorial expansion in the direction of Eastern Asia. Yoshida, the great teacher of "Patriotic Schools," among whose famous disciples were Kido, Inouye and Ito, advocated the expansion of Japan in Asia by force of arms. His program included the acquisition of the Kurile Islands, Saghalien, Kamchatka, Formosa, Korea, Manchuria, and a large part of Eastern Siberia—with a view to the expansion of Japan into an Eastern Asiatic power.[5]

For these reasons therefore—the economic pressure of surplus population, the special claim to South Manchuria

and the traditional ambition of a Greater Japan—the Yamatō race has set her heart on the domination, if not the annexation, of South Manchuria. Professor Tomizu, M.P., of the Tokio Imperial University, said in 1912,[7] "the present is the best possible occasion for the solution of the South Manchuria question, which Japan must settle sooner or later. She has already missed several opportunities for annexing Manchuria, and the longer the solution is postponed the more difficult it becomes." In the memorandum submitted by the Black Dragon Society advocating a defensive alliance between Japan and China, which was believed to be the forerunner of the Twenty-one Demands, among the terms set forth there was the provision which betrayed the intention to seize the sovereign rights of South Manchuria and Eastern Inner Mongolia: "China agrees to recognize Japan's privileged position in South Manchuria and Inner Mongolia and to cede the sovereign rights of these regions to Japan to enable her to carry out a scheme of local defense on a permanent basis." [8]

Thus, bent on the control, and if possible, the possession of South Manchuria and Eastern Inner Mongolia, Japan used, as the basis of her expansion, Article 6 of the Railroad Convention between Russia and China of 1896,[9] which she had inherited from Russia by virtue of the cession of the Southern Portion of the Chinese Eastern Railway from Changchun to Dalny and Port Arthur, and by virtue of the confirmation of the transfer by the Chinese Government by the Treaty of December 22, 1905,[10] providing that Japan's rights in South Manchuria should, "as far as circumstances permit, conform to the original agreements concluded between China and Russia" (Article 2). Article 6 of the original grant to Russia read: "la société aura le droit absolu et exclusif de l'administration de ses terrains." [11] By virtue of this article, although the original grant was qualified by special provisions for the protection and preservation of the Chinese

sovereignty,[12] she exercised actual sovereignty over the railway zone of 70.54 square miles.[13] She permitted no Chinese soldiers and police to enter the zone except with special permission, and on the other hand, she maintained exclusive police and military guards within the zone.[14] Thus, she divided the sovereignty of South Manchuria by means of this narrow strip of railway zone which is entirely under Japanese jurisdiction, or, to use another expression, she thus created an imperium in imperio, which could be used for the future expansion of Japanese jurisdiction over South Manchuria. Further, she established Japanese settlements at most of the stations along the railway and attempted thereby to found a series of Japanese towns.—"Thus, there will be a strip of territory running through the heart of South Manchuria which to all intents and purposes will become a Japanese Colony." [15]

More than this, she adopted the policy of settlement under the Japanese jurisdiction and sovereignty. By stretching the interpretation of the extra-territorial rights, she established police boxes, and even jails and houses of detention in connection with her consulates. She maintained that the assumption of the police power over her own subjects was but a corollary of extra-territorial jurisdiction, which, however, was not claimed by the other treaty Powers enjoying similar privileges:

"In short, the establishment of stations for Japanese police officers in South Manchuria and Eastern Inner Mongolia is based on consular jurisdiction and its aim is efficiently to protect and discipline Japanese subjects, to bring about a completely satisfactory relationship between the officials and people of the two countries, and gradually to develop the financial relations between Japan and China. The Chinese Government is requested speedily to recognize the demands precisely as it has the establishments of consulates and consular agents in the interior

of South Manchuria in pursuance of the policy to maintain the friendly relations between China and Japan." [16]

And, maintaining that contention, she made repeated attempts to secure the recognition of the right to station police in South Manchuria and Eastern Inner Mongolia. On October 18, 1916,[18] she submitted this demand:

"According to the new treaty concluded last year respecting South Manchuria and Eastern Inner Mongolia, Japanese subjects shall have the right of residence, travel and commercial and industrial trade in South Manchuria and the right to undertake agricultural enterprises and industries incidental thereto in the Eastern part of Inner Mongolia jointly with Chinese subjects. The number of Japanese subjects in South Manchuria and Eastern Inner Mongolia will, therefore, inevitably increase gradually. The Imperial Government of Japan considers it necessary to station Japanese police officers in these regions for the purpose of controlling and protecting their own subjects. It is a fact that a number of Japanese police officers have already been stationed in the interior of South Manchuria and they have been recognized by the local officials of the localities concerned since intercourse has been conducted between them. The Imperial Government of Japan proposes gradually to establish additional stations for Japanese police officers in the interior of South Manchuria and Eastern Inner Mongolia whenever and wherever necessary."

Thus, Japan aimed to extend her sovereignty wherever her subjects should go in South Manchuria and Eastern Inner Mongolia. Following this policy to its logical conclusion, and especially in view of the fact that the whole of South Manchuria has been thrown open to Japanese subjects by the Treaty of May 25, 1915, respecting South Manchuria and Eastern Inner Mongolia (Article 3), she can extend her sovereignty, wherever her subjects go. Thus, under the guise of peaceful settle-

ment, the process is, in reality, a political invasion, paving the way for territorial absorption.

Not contented with the policy of settlement under Japanese jurisdiction and sovereignty, Japan, in 1915, made the bold attempt to capture the sovereignty of South Manchuria and Eastern Inner Mongolia by means of the Twenty-One Demands. In group Two of the original demands, Article Two provided for the Japanese ownership of land. It read: "Japanese subjects in South Manchuria and Eastern Inner Mongolia shall have the right to lease or own land acquired either for erecting suitable buildings for trade and manufacture or for farming." [19] Land in South Manchuria and Eastern Inner Mongolia being very cheap, the grant of the privilege of owning it would give her and her subjects the opportunity to own the entire territory of these two regions by systematic purchase and manipulation of land prices through Japanese banks operating therein. The Chinese Official Statement of 1915 regarding the Chino-Japanese negotiations on the Twenty-one Demands said: "Should Japanese subjects be granted the right of owning land, it would mean that all the landed property in the region might fall into their hands, thereby endangering China's territorial integrity." [20]

Side by side with the demand for the right to own land, Japan demanded the exercise of police power in important places in China. In Group V, Article 3, of the original demands, we read:

"Inasmuch as the Japanese Government and the Chinese Government have had many cases of dispute between Japanese and Chinese police to settle cases which caused no little misunderstanding, it is for this reason necessary that the police departments of important places (in China) shall be jointly administered by Japanese and Chinese, or that the police departments of these places shall employ numerous Japanese, so that they may

at the same time help to plan for the improvement of the Chinese Police Service."

As the police power is a concrete symbol of sovereignty, this demand for the joint administration of police is tantamount to a demand for the sovereignty of China. While, however, the demand covered the whole of China, it was meant to apply particularly to South Manchuria and Eastern Inner Mongolia. The Chinese official statement of 1915 regarding the negotiations runs as follows:

"The proposal that there should be joint administration by China and Japan of the police in China was clearly an interference with the republic's domestic affair, and consequently an infringement of her sovereignty. For that reason the Chinese Government could not take the demand into consideration. But when it was explained by the Japanese minister that this referred only to South Manchuria, and he suggested that his government would be satisfied if China agreed to engage Japanese police advisers for that territory, the Chinese Government accepted the suggestion." [21]

Whatever the intention of this demand, had it been granted, Japan would have acquired the power of jointly administrating the police in important places of China, especially in South Manchuria and probably Eastern Inner Mongolia, which would have virtually meant the cession of sovereign rights in these regions,—which the Black Dragon Society had petitioned the Japanese Government to obtain. Coupled with the right of owning land, such an arrangement would have rendered the regions in question actual colonies of Japan.

Failing in this move, Japan made of the Changchiatung Affair another attempt to wrest the sovereignty of South Manchuria and Eastern Inner Mongolia from the hands of the Chinese Government. Barring the usual satisfaction for the Changchiatung Affair, she demanded the employment of Japanese military advisers in South Man-

churia, and of military instructors in the Cadet schools, and the establishment of police stations in South Manchuria and Eastern Inner Mongolia.[22] Had these demands been conceded, it would have meant the Japanese control of the military development of South Manchuria and granting of the police power over Japanese subjects in South Manchuria and Eastern Inner Mongolia.

Finally, when the new Consortium was being organized in 1919-1920, Japan qualified the participation of her financial group with the reservation that South Manchuria and Eastern Inner Mongolia should be excluded from its scope.[23;24] Thus, by this diplomatic stroke, she attempted to secure the recognition of the Great Powers as to her special political status in these regions and her right to exclusive exploitation of the same. Hence, if China should in the future come under the control of the New Consortium and thus lose her independence, Japan would have saved these two regions from a similar fate, and would be free to snatch them from the grip of the Consortium and incorporate them under her own sovereignty.[25]

It is, therefore, reasonable to conclude that Japan did entertain the design of controlling, if not of possessing, South Manchuria and Eastern Inner Mongolia. Impelled by the economic pressure of an increasing population at home, supported by the special claim growing out of the Russo-Japanese War, and inspired by the traditional ambition of a Greater Japan, she has set her heart on the policy of territorial expansion in these two regions. Using Article Six of the Russo-Chinese Railway Convention of 1896 as a basis, she planned to extend her sovereignty over these regions, by the creation of the *imperium in imperio* in the railway zone, the establishment of police stations, and the repeated attempts to wrest the police power from the Chinese Government.[26]

NOTES TO CHAPTER XII

1. K. K. Kawakami, Japan in World Politics, p. 58.
2. Ibid., p. 58.
3. Ibid., p. 131.
4. Patrick Gallagher, America's Aims and Asia's Aspirations, p. 407.
5. J. O. P. Bland, article on Moral Factors in Japanese Policies, Asia, March, 1921, p. 217.
6. John Spargo, Russia as an American Problem, p. 150.
7. Shin Nihon, editor, Count Okuma, April, 1912, quoted in Pooley, Japan's Foreign Policy, p. 76n.
8. Putnam Weale, The Fight for the Republic in China, pp. 130-131.
9. MacMurray, 1896/5.
10. MacMurray, 1905/18.
11. The society shall have the absolute and exclusive right of administration of its territories.
12. Cf. U. S. Foreign Relations, 1910, pp. 203-205, the letter of the Secretary of State of the United States Government to the Russian Ambassador on April 9, 1908.
13. Hornbeck, Contemporary Politics in the Far East, p. 268.
14. Ibid., p. 268; Millard's Review, Nov. 8, 1919, p. 399.
15. Lancelot Lawton, The Empires of the Far East, Vol. 2, p. 1167.
16. MacMurray, 1917/2; W. W. Willoughby, Foreign Rights and Interest in China, pp. 84-85; Japanese Minister's Aide Memoire, Oct. 18, 1916.
18. MacMurray, 1917/2; W. W. Willoughby, op. cit., p. 83 et seq.
19. The Sino-Japanese Negotiations, 1915, p. 20.
20. Ibid., p. 12.
21. Ibid., pp. 9-10.
22. MacMurray, 1917/2.
23. T. W. Lamont, Preliminary Report on the New Consortium for China, p. 7.
24. Documents concerning the new consortium released to press by the Department of State on March 30, 1921, the letter of M. Odagiri of the Yokahoma Specie Bank to Mr. T. W. Lamont of the J. P. Morgan & Co., June 18, 1919.
25. For a complete account of the new consortium, vide infra, chapters on the New International Banking Consortium.
26. Japan's recent occupation of Eastern Siberia may or may not effect her policy of territorial expansion in South Manchuria and Eastern Inner Mongolia. For an account of Japan and Siberia, see John Spargo, Russia as an American Problem, Chapter V, p. 199 et seq.

XIII

THE POLICY OF PARAMOUNT INFLUENCE

In the two preceding chapters we have examined the policies of economic exploitation and territorial expansion,—two of Japan's solutions for her population problem. We come, now, to the third policy—that of paramount influence.

This policy is actuated in the first place by Japan's desire to obtain and possess the largest Chinese sphere of influence. Being China's closest neighbor and of the same racial and linguistic family, she feels that she ought to have the largest influence. When the battle of concessions commenced in 1898—which resulted in the Powers demarcating their respective spheres of influence on the map of China—Japan was not yet a full-fledged Power. She had therefore to be content with the demarcation of Fukien as her humble share. When, by dint of extraordinary exertion, and by reason of her victory over Russia, she had achieved the position of a great Power, she found, to her regret, that all the regions in China had already been occupied as spheres of other Powers, and she had again to be contented with South Manchuria which she had won by the sword and Eastern Inner Mongolia attained by cordial agreement with Russia. When, however, the World War broke out, leaving China free for her expansion, she promptly seized the opportunity and extended her sphere of influence as far as China and the other Powers would allow her. This she did, partly to the end that in case of an eventual break-up or partition of China, she would be able to secure the largest share of territory. "It was because European Powers were bent upon dividing China

into so many spheres of influence that Japan was obliged to step in and take such measures as might be necessary to safeguard her position in the Far East against any emergency that might arise from an unhappy condition in China."[1]

This policy is again a concomitant of Japan's other policies—economic exploitation and territorial expansion. Economic exploitation requires the existence of a sphere of influence, and quite logically, the fullest measure of economic exploitation requires the possession of the largest sphere of influence. In order, therefore, to carry out this policy to the fullest satisfaction, the acquisition of the largest sphere of influence is highly desirable, if not quite necessary. Likewise, territorial expansion demands the existence of a sphere of influence wherein a Power entrench itself against the authority of the territorial sovereign and the intrusion of other Powers. While it is not indispensable, the possession of the largest sphere of influence will nevertheless help to consummate the annexation of the regions desired.

In the case of Japan and China this policy is animated by the former's desire to displace the predominating Western influence by her own paramount interest. She feels chagrined over the presence of such an influence in a land where, by virtue of the similarity of language and race, she feels that she ought to have the largest share. She is also afraid that the presence of a dominating Occidental influence may imperil the independence of China and so jeopardize her own existence. Therefore, to check the further extension of such an influence, she proposes to displace it with her own paramount interest. Supporting this view is the following statement:

"It must be frankly admitted that ever since China opened her doors to Western nations, her territory has been regarded as a happy hunting ground by concession

seekers of all, but especially of European countries. Her inefficiency, her impotency and the general disorganization and corruption of her administrative system have been such as to invite a veritable universal scramble over concessions. . . . To the Japanese, it is certain that, unless they take the necessary measures of precaution, the whole province of China will sooner or later be held in the grip of Western interests. Of course she could not, even if she would, undertake to safeguard all the vast dominion of China, but she must by all means forestall the establishment of preponderating Western influence in such sections of that domain as are contiguous or adjacent to her own territories." [2-3]

This policy is, moreover, motivated by Japan's consideration of her own special position in China. She fought war with Russia, partially because of China's incapacity to resist Russian aggression in Manchuria. By dint of supreme sacrifice, she saved Manchuria, and so rendered China a distinct and invaluable service. She also feels her exalted mission of Chinese guardianship. Being the only nation in Eastern Asia that has been able to resist successfully the Western onslaught, she feels that she has the duty of extending her protection to the other nations of Eastern Asia, particularly China. Further, her own economic, and to a certain extent, her own political existence depends upon China's prosperity and independence. Should her neighbor ever come under Western control, or what is worse, should she ever be partitioned, Japan would be left alone in the world. With the Western Powers entrenched on the opposite shore of her sea, her own days of independence would be numbered. As preserver of Manchuria and protector of China, dependent as she is upon her and inseparately interwoven as is her destiny and well-being with that of China, she is therefore impelled by a high sense of justification to put forth her claim of a special position in that country.

Turning now to the ways in which this policy has been executed, we find that Japan first established her paramount influence in South Manchuria. As we have seen, soon after she had obtained the transfer of the railway and mine leases, she organized the South Manchuria Railway Company, which is the Japanese Government all but in name and which dominates the economic life of South Manchuria. Besides this, she closed the door of South Manchuria to the railway enterprises of other nations. She vetoed the Hsinminting-Fakuman concession granted to British interests in 1907, by producing a secret agreement alleged to have been signed in connection with the Treaty of December 22, 1905, pledging the Chinese Government not to construct, prior to the recovery by them of the said railway (the South Manchuria Railway), any main line in the neighborhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the above mentioned railway.[4]

The great extension, however, of her sphere of influence came when the World War broke out. To repeat, she first ousted Germany from Shantung and seized all German interests—leaseholds, railways, mines, cables—and this in violation of the sovereignty of China. Having accomplished this, she presented the now celebrated Twenty-one Demands, which, had they been fully granted, would have given her the largest sphere of influence or the position of paramount influence. By Group I, she demanded the assent of the Chinese Government to any arrangement Japan might make with Germany at the end of the war relating to the German rights in Shantung (Article 1).[5; 6] By Articles 156, 157, and 158 of the Treaty of Peace with Germany signed at Versailles, June 28, 1919, she was made the sole successor to all German interests and rights in Shantung, thus adding this Province to her sphere of influence.

Not only this, but by Group II of the original Twenty-one Demands, she demanded the right of owning land in South Manchuria and Eastern Inner Mongolia, which, coupled with the demand for the police power in "important places" in China, would, in due course of time, have made South Manchuria and Eastern Inner Mongolia Japanese territories. Again, according to the same group of demands, she attempted to put Eastern Inner Mongolia on the same status as South Manchuria, which was, however, successfully frustrated by the skill of the Chinese diplomats, who caused Japan to be content with the mere opening of some commercial ports in that region. Notwithstanding the failure of these deeper designs, she was nevertheless successful, by the Treaty of May 25, 1915, in tightening her control over South Manchuria and Eastern Inner Mongolia. For contracting foreign loans for the construction of railways in South Manchuria and Eastern Inner Mongolia and for pledging the taxes of these two regions as securities for loans, Japan had first to be consulted. "If foreign advisers or instructors on political, financial, military or police matters are to be employed in South Manchuria, Japanese may be employed first." [7]

In addition, by Article 6 of Group V, Japan attempted to consolidate her position in Fukien and make the province an exclusive sphere of influence. The Article read: "If China need foreign capital to work mines, build railways and construct harbor works (including dock-yards) in the Province of Fukien, Japan shall be first consulted." [8] Had this demand been fully granted, Japan would have closed another door—and this time in the Province of Fukien. The final exchange of notes, however, gave only a voluntary declaration, on the part of the Chinese Government, in response to the Japanese inquiry, that no permission to foreign nations had been given, nor had foreign loans been contemplated, "to construct on the coast of Fukien Province, dock-yards, coal-

ing stations for military use, naval bases, or to set up other military establishments."[9]

Furthermore, Japan also attempted, by the original Twenty-one Demands, to extend her influence into the Yangtze Valley, thus invading the British sphere. As will be recalled, by Group III relating to the Hanyehping Company, besides the privilege of joint concern, she demanded the monopoly of mines in the neighborhood of those owned by the company (Art. 2), which, had it been granted, would have given her the monopoly of the mining privileges of the Central Yangtze Provinces, thus excluding Great Britain, with reference to mining enterprises, from her own sphere.[10] What is worse, by Article 5 of Group V,[11] she demanded the right of constructing certain railways in the Yangtze Valley. "The demand of railway concessions in the Yangtze Valley," said the Chinese Official Statement of 1915, "conflicted with the Shanghai-Hangchow-Ningpo Railway of March 6, 1908, the Nanking-Changsha Railway agreement of March 31, 1914, and the engagement of August 24, 1914, giving preference to British firms for the projected line from Nanchang to Chaochowfu."[12] Thus, had this demand been granted, Japan would have added to her sphere of influence the Southeastern Provinces of China.

Moreover, when the Russian Soviet Revolution occurred in 1917, resulting in the recession of Russian influence from North Manchuria and Outer Mongolia, Japan again took advantage of the situation and attempted to extend her influence into North Manchuria. She dispatched troops to occupy and guard the Chinese Eastern Railway, and this in spite of the fact that the protection of the railway was distinctly assigned by the Inter-allied Agreement concerning the guarding of the Chinese Eastern Railway, to the Chinese Government, which had well performed the task.[13] Simultaneously with the coup of Vladivostok, she increased the number

of her troops along the Chinese Eastern Railway. To find an excuse for their presence, she instigated bandits and gave them aid to break down Chinese authority along the railway.[14-15-16] And it was only the Inter-allied Railway Technical Commission that prevented Japan from openly seizing it, as she had the Tsingtau-Tsinan Railway.[17-18] It was said:

"Supreme efforts are being made by China to persuade Paris, London and Washington not to dissolve the Interally Railway Technical Commission in Siberia for the simple reason that China is fully convinced that Japan will seize the Chinese Eastern Railway immediately following the abolition of the Commission. The Japanese do not intend to withdraw their troops until they have exhausted every means to get control of this railroad. It is therefore up to the Peking Government to do its utmost to preserve for China one of the most important railways within her domain. . . . Simultaneously with the coup at Vladivostok, the Japanese forces along the whole Chinese Eastern Railway were increased and it looked as if the operation of the line would be usurped by the Japanese authorities. The resistance of the Interallied Commission alone was responsible for the preventing of such a development. . . ."

Apart from the extension of her sphere of influence, Japan also aims to win the predominance of trade. When the great war came and European competitors temporarily disappeared, she forged her way straight ahead until she became a formidable rival of Great Britain—who is also bent on trade predominance. Had it not been for her loss of China's goodwill, due to the Twenty-one Demands in 1915 and for the boycott subsequent to the Shantung Decision in 1919, she would have probably, by this time, outstripped all other commercial rivals in China. The following available statistics show that, from 1913 to 1917, she almost doubled her share in the total percentage of China's foreign trade:[19]

TABLE SHOWING PERCENTAGES OF TRADE WITH CHINA, 1915 TO 1917

	1913	1914	1915	1916	1917
Japan	19.7	21.1	23.4	28.3	33.4
British Empire..	48.0	49.0	47.2	40.9	39.7

Incidentally, this attempt to win trade predominance serves as an additional impetus towards winning that coveted prize, the position of Inspector General of the Chinese Maritime Customs. Although China did not promise that whatever nation gains trade predominance wins the office in question, it is nevertheless understood that, upon the losing of trade predominance, Great Britain will automatically lose the office, and once she acquires trade predominance,[20] Japan may assert her claim to the office, under the "most favored nation" clause.

In attempting, however, to attain this predominance, Japan has often been tempted to resort to unfair means (particularly in Southern Manchuria) in plain violation of the Open Door principle of equal opportunity of trade. A system of rebates was inaugurated by the South Manchuria Railway, of which, in the very nature of things, only the Japanese could avail themselves, and which because of voluminous protests, was abolished in September, 1909.[21] The British-American Tobacco Company built a factory in Mukden and paid the production tax as required by Chinese law, but the Japanese Government Tobacco Monopoly also built a factory in Newchuang and failed to pay it. The retail dealers of the British-American Tobacco Company submitted to the payment of the tax, but the agents of Japanese tobacco refused to pay the same, not infrequently backed by Japanese consuls.[22] In the 1914 report of the American Consul-General at Mukden,[23] the following evidence of discrimination appeared:

"The only bank in Mukden doing foreign business is the Yokohama Specie Bank. . . . A general preference

is given to Japanese merchants and traders. Rates for advances on cargo expected are as follows: Japanese, 7 percent; foreigners, 8 percent; Chinese, 10 percent.

"In selling their products, the Japanese have been favored by cheap home labor, government subsidies, special railway rates, preferential customs treatment and exemption from internal taxation. . . ."

Other evidences may be offered, but suffice it to summarize the disabilities which other foreign merchants have experienced in Manchuria and Shantung.[24] Goods of these merchants were delayed on various pretexts, while the goods of the Japanese were promptly moved. Special favors were accorded the Japanese by the railway under their control, "including an obscene system of rebates."[25] Public utilities controlled by the Japanese were manipulated "to give advantages to Japanese merchants." Spacious Japanese ships refused to ship American cargoes because of competing Japanese firms, and lower rates or rebates were given to Japanese shippers.[26]

In this connection mention must be made of the fact that even during the allied military intervention in Siberia, Japan availed herself of her military position to achieve commercial expansion much to the chagrin and detriment of the allied expeditionary forces. "The military trains, supposed to be used exclusively for and by the joint expedition, were very largely used to transport Japanese merchandise into Siberia. This merchandise was literally smuggled in with the connivance of the Japanese authorities. It was a common occurrence for trainloads of commercial wares from Japan to be sent from Vladivostok marked as military stores, at the time when the armies of the joint expeditionary forces were deprived of necessary supplies on account of lack of transportation."[27]

Next to commercial paramountcy, Japan aims at cultural predominance in the regeneration of China. Hav-

ing acquired Western civilization earlier than any other Asiatic nation, and claiming to be the harmonizer of the Eastern and Western civilizations, she feels called to the national mission of propagating the newly harmonized culture in the Orient, especially in China. Here is Marquis Okuma's own statement:

"I have no doubt that Japan will propagate to China and other countries in the Orient whose standard of civilization is low, her new civilization, which is a product of harmonizing the Japanese and European civilizations. In a sense, Japan may be said to have the mission of harmonizing Eastern and Western civilization and of propagating the new civilization. Nay, I do not hesitate to declare that this is her mission." [28]

To this end, by Articles 2 and 7 of Group V of the Original Demands,[29] she demanded the right of owning land in the interior of China for the use of Japanese hospitals, churches and schools, and also that of missionary propaganda in China, both of which were not granted however.

The last phase of Japan's policy of paramount influence is her claim to special interests in China. The Lansing-Ishii agreement recognizes this.[30] While it is reasonably certain that Mr. Lansing did not recognize Japan's special interests in China any more than he did the special interests of the United States in Canada or Mexico,[31] Japan's interpretation, however, is nevertheless different. It tends to favor the construction of a position of paramount influence. The testimony of Secretary Lansing before the Senate Committee on Foreign Relations furnishes evidence that Viscount Ishii attempted to put the construction of this influence on the term "special interest" during the negotiation.[32]

"SENATOR BORAH. He (Ishii) said that his idea was that Japan had special interests in China which right

was to be recognized, and by those special interests he mean paramount control?

"SECRETARY LANSING. Yes; and I told him I could not consider it.

. . . . . .

"SENATOR BRANDAGEE.[33] Did he at any time intimate that it meant paramountcy or interest different from that of any other nation, other than from Japan's propinquity to China?

"SECRETARY LANSING. My only recollection as to that is that he wished to have inserted the words 'special interests and influence' and I objected seriously to the insertion of the words 'and influence,' and they were stricken out."

Besides Mr. Lansing's testimony, the letter of the Russian Ambassador at Tokio of that time again revealed the Japanese intention to interpret "special interest" as paramount influence.

"The Japanese are manifesting more and more clearly a tendency to interpret the special position of Japan in China, inter alia, in the sense that other Powers must not undertake in China any political steps without previously exchanging views with Japan on the subject—a condition that would to some extent establish a Japanese control over the foreign affairs of China." [34-35]

"To my question whether he did not fear that in the future, misunderstandings might arise from the different interpretations by Japan and the United States of the meaning of the terms 'special position' and 'special interests' of Japan in China, Viscount Motono replied by saying that—(a gap in the original). Nevertheless, I gain the impression from the words of the minister that he is conscious of the possibility of misunderstandings also in the future, but is of the opinion that in such a case Japan would have better means at her disposal for carrying into effect her interpretation than the United States." [36]

Again, commenting on the interpretation of the Lansing-Ishii agreement, a Japanese author frankly asserted that what Secretary Lansing conceded was the recognition of Japan's paramount influence in certain sections of China as long as the exercise of that influence did not conflict with the principles of the Open Door doctrine.

"The understanding was concluded in flexible terms permitting of various interpretations. But if we may gauge the official sentiment at Washington through the press dispatches from the capital at the time the understanding was consummated, the American Government was prepared to go a long way towards the establishment of the principle that Japan was entitled to secure a paramount influence in certain sections in China, as long as she does not encroach upon the "Open Door principle." [37]

Moreover, Japan's subsequent actions show her intention of interpreting special interests as paramount influence. She established civil administration in Shantung, where for almost three years, since her capture of Tsingtau, she had been contented with merely maintaining military occupation. She also extended her civil régime in Manchuria. Note this testimony before the Senate Committee on Foreign Relations: [38]

"Moreover, Japan went ahead and acted on her interpretation. From that time she assumed a position of paramountcy in relation to China. She went ahead and began the establishment of civil government over Shantung Province. She extended her civil government régime in Manchuria. She began actually to acquire the possessions and the position of a sovereign in most parts of China where she had obtained a foothold by the method I have indicated. She went on, and she obtained, through that influence, a great influence at Peking. . . ."

Furthermore, in December, 1917, shortly after the Bolshevist *coup d'état,* the Japanese Government offered in a note to the Allied Powers and the United States, to intervene in Siberia, on three conditions, one of which was that the Allied nations and the United States should recognize her paramount position in China and the existing Sino-Japanese treaties.[39] In the alleged secret Treaty of Alliance between Japan and Germany, purporting to have been negotiated at Stockholm, in October, 1918, by the German Ambassador Lucius and Mr. Oda, the Plenipotentiary of Japan,—which was however nullified by the German Revolution,—it was provided that while Germany was to receive Japan's support in establishing her paramountcy over European Russia and Western and Central Siberia, Japan was to be given assistance in establishing her paramount influence in Eastern Siberia and China.[40]

NOTES TO CHAPTER XIII

1. Kawakami, Japan in World Politics, p. 129.
2, 3. Kawakami, Japan and World Peace, pp. 161-162.
4. MacMurray, 1905/18; W. W. Willoughby, Foreign Rights and Interests in China, p. 313.
5, 6. The Sino-Japanese Negotiations, 1915, p. 19; MacMurray, 1915/8; Sino-Japanese Negotiations, p. 49 et seq.
7. MacMurray, 1915/8; Sino-Japanese Negotiations, 1915, p. 55 et seq.
8. The Sino-Japanese Negotiations, 1915,, p. 22.
9. Ibid., pp. 69-70.
10. Vida supra, chapter on the Policy of Economic Exploitation.
11. The Sino-Japanese Negotiations, 1915, p. 22.
12. Ibid., pp. 10-11.
13. Millard's Review, May 1, 1920, p. 445 et seq., the resolution of the inter-allied technical board.
14, 15. Millard's Review, May 22, 1920, p. 574; this is what is charged in an official dispatch received by the Peking Government from the civil Government of Kirin: "It is an open secret that large numbers of bandit leaders have been invited to Tsingtao where they have been trained and armed for the purpose of molesting the inhabitants in the neighboring districts and thereby making it impossible for the Chinese to continue their

peaceful vocations. According to most reliable reports, several Japanese brought with them to this province notorious robbers. . . . These ringleaders and their Japanese friends have been distributed at various points along the Chinese Eastern Railway where they intend to create trouble. . . ."

16. In a further attempt to control the railway she offered the Russian committee military support on several conditions, among which was the one that any further financial needs of the Chinese Eastern Railway were to be the first submitted to Japan—Millard, Democracy and the Eastern Question, p. 307.

17, 18. H. K. Tong, article on The Inter-Allied Watch Dog of the Chinese Eastern Railway, Millard's Review, June 26, 1920, p. 211 et seq.

19. Pooley, Japan's Foreign Policy, p. 192.

20. MacMurray, 1898/2.

21. Hornbeck, op. cit., p. 264.

22. Ibid., p. 265 et seq.

23. U. S. Commerce Reports, Feb. 20, 1915, Report of Consul General P. S. Heintzleman, Dec. 21, 1914, quoted in Hornbeck, Contemporary Politics in the Far East, p. 267.

24. Millard, Democracy and the Eastern Question, pp. 274-275.

25. Ibid., p. 275.

26. For the manipulation of Chinese currency in Manchuria, see H. K. Tong, article on Driving American and European Business out of Manchuria, Millard's Review, June 29, 1918, p. 168; Violating the "Open Door" in Manchuria, Millard's Review, July 20, 1918, p. 294.

27. John Spargo, Russia as an American Problem, pp. 254-255.

28. J. O. P. Bland, article on A Goal for Japanese Ambition, Asia, February, 1921, p. 147.

29. The Sino-Japanese Negotiations, 1915, p. 22.

30. Hearings before the Senate Committee on Foreign Relations, Sixty-sixth Congress, First Session, Senate Document No. 106, on the Treaty of Peace with Germany, p. 225.

31. Vide infra, chapter on the Policy of Asiatic Monroe Doctrine.

32. Hearings, op. cit., p. 229 et seq.

33. Ibid., p. 233.

34, 35. Ibid., p. 230; Millard, Democracy and the Eastern Question, p. 148; Letter of Russian Ambassador at Tokio, Oct. 22, 1917.

36. Millard, Democracy and the Eastern Question, p. 149; The Shantung Question, op. cit., p. 15; Krupensky's Third Dispatch, Nov. 1, 1917.

37. Kawakami, Japan and World Peace, p. 161.

38. Hearings, op. cit., p. 444, the testimony of T. F. Millard.

39. John Spargo, op. cit., p. 236.

40. Ibid., pp. 253-254.

XIV

THE POLICY OF POLITICAL CONTROL

As we have already seen, Japan's whole policy turns to-day on two fundamental problems—the problem of the increasing population of Japan and the question of China. Out of the first the policy of economic exploitation and the policy of territorial expansion developed, manifesting partly also in the policy of paramount influence. Out of the second, the Chinese question, there arose her policy of paramount influence and that of political control which constitutes the theme of our present chapter and the "Asiatic Monroe Doctrine" which will be discussed in the next chapter.

Japan's policy of political control is largely an outgrowth of existing conditions in China. Ever since the Chinese Revolution in 1911, the control of the Central Government has relaxed and weakened, and the provinces have practically become independent states. Armies are maintained by the various provinces, over which the President has little control. As a result, the provinces can declare their independence, almost at will. Thus, over the issue of the constitutionality of the dissolution of the Parliament in 1917, the provinces split into North and South. Again, taxes are, in the main, collected by the provinces, which can refuse to remit quotas as requisitioned. As a consequence, the provinces fail to send remittances, and the Central Government is compelled to live on loans. As it does not enjoy the confidence of the people, it is forced to resort to foreign financial aid. In doing so, it mortgages one asset after another, thereby placing the country under the danger of foreclosure. Added to this is the corruption of some of the leading

officials who in exchange for the rich commission they can gain from the loans passing through their hands, do not hesitate to contract foreign loans, regardless of future consequences. Such a combination of situations—civil war, foreign borrowing, and official corruption—cannot but give rise to the apprehension of possible bankruptcy and Western control.

If the conditions existing in China were free from foreign influences, Japan would probably have been less anxious. As it is, the Western Powers have made China a happy hunting ground for gaining concessions and exploiting natural resources. They would not hesitate, save for the rise of Chinese nationalism, to make the country a second Africa or Egypt. And yet, in face of the foreign menace, China remains divided, incapable of resisting alien aggression, and headed toward the abyss of bankruptcy and foreign control. To the mind of Japan, granting the continuance of existing conditions, and provided no new factors of salvation arise, foreign control is China's well-nigh inevitable fate. As is said, "If this unhappy condition is permitted to continue much longer, the outside Powers interested in China will sooner or later combine their influence to establish international supervision over that country." [1-2]

Besides, had China been located far away and had she not been of the same racial and linguistic family, Japan would not have been so much impelled to action. As it is, China is situated at the door of Japan and is of the same family in race and language. Should China ever pass under Western control, thus losing her independent existence, Japan would be left all alone in the world—to face the increasing domination of the West. What is worse, Japan's destiny and welfare are intimately related to those of China. Japan depends upon her for the supply of basic materials, particularly coal, iron and steel, for a market for her manufactured products, and for mutual coöperation against the Western

domination. Should China fall, Japan would undoubtedly be crippled. "With the history of European diplomacy in the Near and Far East before them, the Japanese cannot but shudder at the thought of the day when China shall be held fast in the grip of Western Powers." [3]

To Japan, therefore, the Chinese question is one of life and death, and upon its proper and successful solution depends her future prosperity and well-being:

> "For many years to come Japan's efforts will be concentrated upon the solution of the Chinese question. Whether or not she is equal to the task, she must here make supreme efforts, for her place in world politics primarily lies in the molding of Asia's destiny. She will be spurred to play the leading rôle in the disposition of the Chinese situation, not from any motives of empire building, but from the necessity of self-preservation. Open the map of China, and mark out the territories staked out by various European Powers as their spheres of influence. Then you will begin to realize why the Japanese, deep in their heart, still cherish the fear of the Occident." [4]

For this reason, Japan would not hesitate to take such measures as are necessary for her own self-preservation as regards China. Consequently, she endeavors to forestall Western control by Japanese control.

Aside from existing conditions and out of fear of the Western control of China, there is yet another vital reason why Japan desires to attain political control, and that is the future of China and its relation to herself. Should China be partitioned, Japan would again be isolated, and have to face the West alone. If she should be controlled by the Western Powers, Japan would again lose the economic support and political coöperation which China can give her. If China should remain weak and divided, as she now is, Japan's own welfare and safety will be jeopardized by frequent rebellions and insurrec-

tions and possible foreign intervention. If, however, China should become strong, Japan has to face the alternative of a strong and friendly China or a strong but hostile China. Frankly speaking, a strong and hostile China, possessing ten times the strength of Japan, is the last choice Japan wishes to have to make. On the other hand, a strong and friendly China would be difficult to secure. Having attained her own status of international equality at the expense of China's defeat, and entertaining territorial designs on South Manchuria and Eastern Inner Mongolia, she is quite aware of the possible revenge that a strong China is likely to take. Apart from the possibility of revenge, the rise of a strong China, granting it to be friendly, is bound to stand in the way of Japan's territorial expansion and to overshadow her strength and importance. It would probably wrest from her the leadership of the Orient, which she would never willingly yield. While it must be stated in all fairness that there are Japanese who believe sincerely that a strong and friendly China is the best protection Japan can have, there is an overwhelming majority who hold to a contrary opinion. Prince Yanmagata once remarked: "A strong Emperor is what is needed to rejuvenate China, and to enable her to surpass Japan. Japan, therefore, does not want a strong Emperor in China. Still less does Japan want a successful republic there. Japan wants a weak and incapable China; and a weak China under a weak Emperor, subject to Japan's influence, would be the ideal state." [5-6-7-8] It is, therefore, fair to infer that Japan does not wish to see a partition of China, nor a Western control of China, nor a strong China, nor a hostile China. What she desires is her own control of China. That is her ideal. By this means she can not only forestall Western control, but also safeguard her own future against China. With control assured, she can, as a matter of course, carry out at will the rest of her policies in China—economic exploitation, territorial

expansion, paramount influence and an Asiatic Monroe Doctrine.

Much more than as a measure of self-defense against a rising China, Japan desires to control the former country so as to use her as an instrument for what may be called world domination. Japan dreams of a day when she will rule the entire Orient, and be able to measure swords with the West, if not actually to dispute Western superiority and domination. While this dream is not entertained by all Japanese, it is nevertheless the ambition of some of them, particularly the Jingoists. A Japanese Imperial Pronouncement written in the autumn of 1916 contains the following:[9]

"Fifty million of our race wherewith to conquer and possess the earth! It is indeed a glorious problem! . . . To begin with, we now have China; China is our steed! Far shall we ride upon her! Even as Rome rode Latium to conquer Italy, and Italy to conquer the Mediterranean, even as Napoleon rode Italy and the Rhenish States to conquer Germany, and Germany to conquer Europe; even as England to-day rides her colonies and her so-called "allies" to conquer her robust rival—Germany—even so shall we ride China. So become our 50,000,000 race 500,000,000 strong; so grow our paltry hundreds of millions of gold into billions! . . . But using China as our steed, should our first goal be the land? India? or the Pacific, the sea that must be our very own, even as the Atlantic is now England's? The land is tempting and easy, but withal dangerous. . . . It must, therefore, be the sea; but the sea means the Western Americas and all the islands between and with those must soon come Australia, India, and then the battling for the balance of world-power, for the rest of North America. Once that is ours, we own and control the whole—a domination worthy of our race!"

It is, therefore, fair to conclude that certain Japanese, especially the Jingoists, entertain the dream of consoli-

dating the yellow race under the banner of Dai Nippon and of disputing Western domination, at least in the Orient, through the instrumentality of a subjugated and enthralled China.

With such a policy determined on, she waited for an opportunity for its execution. When the Powers were present in China, she was not able to disclose her desire. When, in consequence of the war, the Europeans retired, the opportunity came, which, as the Japanese said, would "not occur again for hundreds of years to come." At that opportune moment the Black Dragon Society appeared, urging the Government to form a defensive alliance with China, as a means to control her, and to resist the post-bellum Western aggression. It read in part:

"It is a very important matter of policy whether the Japanese Government, in obedience to its divine mission, shall solve the Chinese Question in a heroic manner by making China voluntarily rely upon Japan. To force China to such a position there is nothing else for the Imperial Japanese Government to do but to take advantage of the present opportunity to seize the reins of political and financial power and to enter by all means into a defensive alliance. . . ." [11]

. . . . . .

"From date of the signing of this Defensive Alliance, Japan and China shall work together hand in hand. Japan will assume the responsibility of safeguarding Chinese territory and maintaining the peace and order in China. These will relieve China of all future anxieties and will enable her to proceed energetically with her reforms, and, with a sense of territorial security, she may wait for her national development and regeneration. Even after the present European war is over and peace is restored China will absolutely have nothing to fear in the future of having pressure brought against her by the foreign Powers. It is only thus that permanent peace can be secured in Far East." [12]

Among the terms set forth in the secret alliance are the following, which relate to the control of China. When read in the light of the subsequent Group V of the Twenty-one Demands, no impartial mind can remain unconvinced that they were the forerunners of these demands:

"For the reorganization of the Chinese army China shall intrust the training and the drilling of her army to Japan.

"For the unification of China's firearms and munitions of war, China shall adopt firearms of Japanese pattern and at the same time establish arsenals (with the help of Japan) in different strategic points.

"With the object of creating and maintaining a Chinese navy, China shall intrust the training of her navy to Japan.

"With the object of reorganizing her finances and improving the methods of taxation, China shall intrust the work to Japan, and the latter shall elect competent financial experts who shall act as first-class advisers to the Chinese Government.

"China shall first consult with and obtain the consent of Japan before she can enter into an agreement with another Power for making loans, the leasing of territory, or the session of the same." [13]

Upon the urge of this memorandum and seizing the opportunity offered by the World War, Japan dropped the mask, disclosed her designs, and presented the Twenty-one Demands, among which was Group V. In the formal demands as presented, it will be noticed that the secret terms as proposed by the memorandum of the Black Dragon Society have been carefully reduced to three cogent but all-inclusive demands. The first article required that "the Chinese Central Government shall employ influential Japanese as advisers in political, financial and military affairs." [14] This would cover the control of the Chinese army and navy, finance and the foreign

relations; in short, the administration of the Peking Government. Had this been granted, the Japanese would have dominated the Peking Government, and as the memorandum of the Black Dragon Society put it, seized "the reins of political and financial power." Although the defense might be made that the numerous Japanese advisers to be employed would not necessarily be given executive power, the danger would nevertheless be present that the employment of so many of them would mean the domination of the Peking Government by the Japanese influence, and, what is worse, could easily serve as a prelude to her eventual seizure of the reins of power.

The third article of Group V demanded the joint administration of police, in "important places" in China, or the employment of numerous Japanese in the police departments of these places. As the police power is a concrete symbol of sovereignty, the grant of this demand would be tantamount to the transfer of China's sovereignty to Japan. Although during the negotiation it was disclosed that the Japanese Government meant to apply the police power only to South Manchuria,[15] the language of the demand was nevertheless so general as to include important places in China, irrespective of their location, and extending throughout the Republic, thus giving rise to the peril of an indefinite extension of the Japanese police power throughout the length and breadth of China.

Article 4 of Group V demanded that "China shall purchase from Japan a fixed amount of munitions of war (say fifty per cent or more) of what is needed by the Chinese Government or that there shall be established in China a Sino-Japanese jointly-worked arsenal. Japanese technical experts are to be employed and Japanese material to be purchased."[16] It is to be observed that this demand corresponded closely to the original secret specification, as set forth by the Black Dragon Society,

of unifying China's firearms and munitions of war according to the Japanese pattern and of establishing Sino-Japanese arsenals at different strategic points of China; and that its grant would have meant the Japanization of the Chinese army and the consequent control thereof by Japan. While this might shield China temporarily from European aggression, it would nevertheless deprive her of the means of defense against the encroachments of Japan. Thus, had all these demands been granted, the independence of China would have become a thing of the past.

Significant as these demands were, Japan had, as is well known, to withdraw Group V excepting the clause respecting Fukien, largely because of the stubborn resistance of the whole Chinese nation and of the opposition of Great Britain and the United States. In the ultimatum, however, Japan reserved the right to discuss Group V separately in subsequent negotiations.[17] Meanwhile, the Japanese representative insisted "that the Chinese Government should specifically state in their reply to the ultimatum that Group V had been 'postponed for later negotiation.'"[18] It is to be observed that this reservation clearly proved that Japan did not give up the policy of political control by detaching Group V from the ultimatum, but that Japan did intend either to bring it up for future discussion or to resort to other means to attain the end, which was fully borne out by the subsequent moves of Japan. Hence the statement of the Chinese Government: ". . . Since the date of the ultimatum, Japanese policy in China appears to be expressing itself in terms of specific principles worked out in these demands in Group V 'postponed for later negotiation.'"[19]

Failing in this direct assault through diplomatic channels, upon the change in the cabinet from Okuma to Terauchi, Japan modified the method of attack. She

adopted the indirect method of loans and an alliance with the pro-Japanese clique in the Peking Government, as a pathway to the control of China. From 1915,—the year of the Twenty-one Demands,—to October 25, 1918, Japan loaned to China no less than a total of from 200,000,000 yen to 391,430,000, varying in amount, of course, according to the authenticity of the reported loans. According to the estimate of T. F. Millard,[20] while Japan has loaned to China from January 1, 1909, to the World War only 17,670,000 yen, and to the Hanyehping 32,000,000 yen, she loaned to the Chinese Government, from August, 1914, to October 25, 1918, no less than 391,450,000 yen, —almost eight times as much as the pre-war loans. Deducting the unconfirmed and other loans susceptible of doubt, a safe and conservative estimate would be from 200,000,000 to 250,000,000 yen.

In addition to the loans, Japan also tried to control the Chinese army, which was one of the primary objectives of Group V. Under the name of the War Participation Board, ostensibly organized for effective participation on the part of China in the European War, but in reality for strengthening the northern military party against the South, a new army of about 50,000 men was created. General Aoki and about twenty-five other generals assisted in the organization of this force. General Saito of the Japanese army, a military attaché of the Japanese Legation in Peking, had an office in the War Participation Board and advised on all questions.[21] Japan also supplied all the money, officers and ammunitions.

The motive of Japan's activities in the sale of arms and other military supplies was indirectly revealed as follows:[22]

"In reply to my question as to the credibility of the rumors alleging that Japan is prepared to sell to the Chinese Government a considerable quantity of arms and

munitions, Viscount Motono (then Japanese minister of foreign affairs) confirmed them, and added that the Peking Government had promised not to use the arms against the Southerners. It was evident from the minister's words, however, that this promise possessed only the value of a formal justification of this sale, infringing as the latter does the principle of non-intervention in the internal Chinese feuds, proclaimed by Japan herself. . . . It is most likely that the Japanese are aiming principally at obtaining the privilege of rearming the entire Chinese army, and making China dependent in the future on Japanese arsenals and the supply of munitions from Japan. The arms to be supplied are estimated at 30,000,000 yen. At the same time, Japan intends establishing an arsenal in China for the manufacturing of war materials." [23]

Aside from the control of her army, Japan likewise attempted to control the currency of China. In 1918, her agents proposed to reform the currency by the adoption of a gold standard. The plan was to issue gold notes on the reserve of 80,000,000 yen of bank notes to be borrowed from Japan, which, in turn, were to be secured by the gold reserve in Japan. In accordance with this plan, China was thus to have a gold standard currency without any gold reserve of her own, but based on Japan's gold reserve.[24] Had this scheme been adopted, her currency would have been under the control of Japan. This would have especially been so should there have been a war between Japan and China, in which event Japan could cut off the support of the gold reserve and thus throw China into financial disorder.

When the Great War ended and the European Powers were ready to return to China, Japan, perceiving the disapproval of the Powers as to her attempt to assume control of that country, once more put on her mask and resumed the pre-war policy of international coöperation. Hara, having succeeded to Terauchi as Prime Minister,

immediately reversed the policy of irresponsible loaning and put an effective injunction on further loans to China pending the unification of the North and the South.[25]

Meanwhile, at the Paris Peace Conference, the New International Banking Consortium came to birth; and that effectively neutralized the Japanese efforts to gain the control of China.

NOTES TO CHAPTER XIV

1. K. K. Kawakami, Japan and World Peace, p. 111.
2. Cf. ibid., p. 171.
3. Ibid., p. 172.
4. Kawakami, Japan in World Politics, p. 12.
5. Millard, Our Eastern Question, p. 168.
6. Cf. Millard, Democracy and the Eastern Question, p. 99.
7. Cf. The Remarks of Adachi Kunnosuke, quoted in Stoddard, The Rising Tide of the Color, p. 26.
8. Cf. Millard's Review, Aug. 9, 1919, p. 388; H. K. Tong, How Japan's Policy Is Undermining Her Position in China.
9. Military Historian and Economist, January 17, 1916, pp. 43-46, quoted in Stoddard, The Rising Tide of the Color, pp. 50-53.
10. The memorandum of the Black Dragon Society, Putnam Weale, The Fight for the Republic in China, p. 128.
11. Ibid., p. 130.
12. Ibid., pp. 131-132.
13. Ibid., p. 131.
14. The Sino-Japanese Negotiations, 1915, p. 22.
15. Ibid., p. 10.
16. Ibid., p. 22.
17. Ibid., p. 42.
18. The Shantung Question, presented by China to the Paris Peace Conference, published by the Chinese National Welfare Society, March, 1920, p. 13.
19. The Shantung Question, p. 13.
20. For a full list of the loans made, or reported to have been made, by Japan to China from January 1, 1919, to October 25, 1918, see Millard, Democracy and the Eastern Question, pp. 187-192.
21. Millard, Democracy and the Eastern Question, p. 179.
22. The Shantung Question, op. cit., pp. 13-14, the letter of M. Krupensky, Russian Ambassador at Tokio, dated Oct. 16, 1919, as published by the Russian Revolutionary Government, Nov. 22, 1917.
23. For a full description of Japan's activities during this

period see chapter on the Corruption of a Nation, Millard, Democracy and the Eastern Question, p. 174 et seq.

24. Far Eastern Review, Sept., 1918, p. 382, Plans for Gold Currency in China.

25. Kawakami, Japan and the World Peace, pp. 190-191.

XV

THE "ASIATIC" MONROE DOCTRINE

THE policy of an "Asiatic" Monroe Doctrine is actuated by Japan's desire to preserve the territorial integrity and political independence of China. She feels that she is a close relative of China and therefore her logical and natural guardian. Casting her eyes far and wide, she finds European dominance has planted its flags over Africa and carved the Dark Continent into regions of rule and exploitation. Coming nearer home, she finds that European domination has extended over the whole of Asia with the possible exception of China and herself. Even at her own doors she finds China's independence already partially surrendered, with her immediate outlook pointing to bankruptcy and eventual foreign control. Yet, once again casting her glance to the West, she sees the Latin-American Republics enjoying independence and territorial integrity unmolested and unhampered, and that this is due to the protecting wing of the American Monroe Doctrine, which holds European aggression at arm's length. Thus, surveying the world situation, Japan reaches the conclusion that the only way to preserve China is to follow the example of America and declare a doctrine similar to the Monroe Doctrine for Eastern Asia, if not for the whole Orient.

In addition, Japan feels the call of a national mission. By the Russo-Japanese War, in which an Oriental state vanquished a Western Power, and a yellow people successfully demonstrated their skill in warfare, she unwittingly asserted the principle of racial equality. She therefore feels called to champion the cause of her subjugated neighbors and to deliver the struggling peoples from the

grip of Western domination. She consequently entertains the noble and exalted resolve to maintain the independence of whatever nations in Asia that are still independent, or that may achieve independence in the course of time, and to recover the lost rights of the weaker nations of Asia.

". . . What we want is simply that we become independent of the whites or free yellows of the rampancy of the whites. . . .

". . . The Asiatic Monroe Doctrine is the principle of Eastern Autonomy, that is, of Orientals dealing with Eastern questions.

". . . It is incumbent upon the Yamato race to try to recover for the weaker nations of the East their rights, which have been trampled underfoot by other powers." [1-2]

Thus conceiving her mission, Japan waited for an opportunity to proclaim her newly adopted Asiatic Monroe Doctrine. Before the Great War she dared not assert it, for fear of the relative insufficiency of her power when pitted against a combination of Western nations. With the coming of the great struggle, she seized the opportunity and boldly announced her policy. In the Twenty-one Demands, she stipulated that "the Chinese Government engages not to cede or lease to a third Power any harbor or bay or island along the coast of China" (Group 4).[3] This was finally changed to a voluntary pronouncement by China that "no bay, harbor, or island along the coast of China may be ceded or leased to any Power." [4] Thus, she successfully asserted the doctrine that hereafter the coast of China would not be open to any further European aggression. Further, she prohibited China from employing foreign capital, or from granting permission to foreign states or interests to work mines, build railways, and construct harbor works (in-

cluding dock-yards) in the Province of Fukien (Group V, Article 6).[5-6] Thus, once more, Japan successfully asserted the principle that Japan would not permit any alien military or naval establishment in Fukien to menace her own position in Formosa.

Having thus pledged China to the observance of the "Asiatic" Monroe Doctrine, she again waited for a chance to proclaim it to the Western Powers, and if possible, to secure its recognition by formal international agreements. The opportunity came when Mr. Wilson sent a note of friendly advice in June, 1917, counseling the Chinese people to compose their differences and to construct a central, responsible and united government. Japan immediately took offense at the direct presentation of the note without being first consulted. She claimed that Japan enjoyed a special position in relation to China and that whatever advice was to be given her should be given through Tokio or with her concurrence or approval. Just as the United States enjoys a special position with regard to Mexico, so Japan claimed similar special interest in China. Commenting on this fact, the *Yamato* of Tokio said: "Moreover, America must be aware of the superior position enjoyed by America in Mexico. Yet while Japan has abstained from taking any step whatever in Mexico, in deference to America's special position there, America has interfered in China's domestic politics by ignoring Japan's position there." [7]

Taking advantage of the opportunity afforded by the Wilson note and emulating the example of other Powers in sending War Missions to the United States, the Japanese Government sent a delegation to America under the leadership of Viscount Ishii. Prior to the arrival of the Ishii mission, a confidential report reached the Department of State, which clearly heralded the intention and purpose of the mission: "Japan has no ulterior motives in respect to the integrity of China; that she adheres to her Open Door pledges; that nothing sub-

versive of China's integrity is contemplated; that Japan's sole object is, by means entirely pacific, to bring order out of chaos in China with no special privileges in view; that Japan understands China better than any other nation, and owing to her geographical proximity and special political position and interests in the Far East, she should, therefore, when essential, take the leading rôle in dealing with China as the United States does with the nations of the Western Hemisphere." [8] Thus, the ostensible purpose of the mission, as it related to China, was to seek recognition from the United States of a similar position for Japan in the Orient as she, herself, enjoyed in the Western Hemisphere.

After the landing of the Japanese Mission, in August, 1917, and while the negotiation was in session, Viscount Ishii openly announced the Asiatic Monroe Doctrine in a speech delivered in New York, September 29, 1917, and again amplified it in another speech made in the same city, October 1, 1917, which constituted the first official pronouncement of the Japanese "Asiatic" Monroe Doctrine. We quote extracts from his addresses:

"We wish to be, and to always continue to be, the sincere friend and helper of our neighbor, for we are more interested than any one else except China in good government there, and we must at all times for self-protection prevent other nations from doing what we have no right to do. Not only will we not seek to assail the integrity or the sovereignty of China, but we will eventually be prepared to depend and maintain the same integrity and independence of China against any aggressor. For we know that our own landmarks would be threatened by any outside invasion or interference in China." [9]

. . . . . .

"In a speech delivered on Saturday night I made particular reference to the policy of Japan with regard to China. This reference took the form of a repetition of the pledge and promise that Japan would not violate the political independence or territorial integrity of China;

would at all times regard the high principle of Open Door and equal opportunity. Now I find that this utterance of mine is taken as the enunciation of a 'Monroe Doctrine in Asia.' I want to make it very clear to you that the application of the term 'Monroe Doctrine' to this policy and principle, voluntarily outlined and pledged by me, is inaccurate."

"There is this fundamental difference between the 'Monroe Doctrine' of the United States as to Central and South America and the enunciation of Japan's attitude toward China. In the first place, there is on the part of the United States no engagement or promise, while in the other Japan voluntarily announces that Japan will herself engage not to violate the political or territorial integrity of her neighbor, and to observe the principle of the Open Door and equal opportunity, asking at the same time other nations to respect these principles." [10]

Thus, Viscount Ishii, as official spokesman of Japan, announced, in essence, that his country would respect the territorial integrity and political independence of China and would eventually be prepared to defend the same. He also pointed out the difference between the American Monroe Doctrine and Japan's doctrine in that the United States did not pledge abstention or protection, while Japan voluntarily engaged not to violate the sovereignty and integrity of China, while, at the same time, asking the other Powers to do likewise. While Ishii did not definitely brand the doctrine as "Asiatic" Monroe Doctrine, the principles he enunciated were such as to constitute a real "Asiatic" Monroe Doctrine—that is, Japan undertook not to violate the sovereignty and integrity of China, nor permit other nations to do so.

Mr. Lansing's statements further substantiate what Viscount Ishii proclaimed and declared it to be nothing

less than the principles of an Asiatic Monroe Doctrine. In his statement to the press, he declared that the agreement introduced a new principle—that is, the principle of non-intervention, which is the cardinal principle of the American Monroe Doctrine.[11] In his statement to the Chinese Government, Mr. Lansing reiterated the significance of the introduction and recognition of the principle of non-interference.[12] His testimony before the Senate Committee on Foreign Relations further strengthened the belief that the special interests of Japan which he recognized in China were not different from the special interests of the United States in Canada or Mexico. In other words, he recognized Japan's claim to an Asiatic Monroe Doctrine, if it were based on the same principle:

"SENATOR BORAH. In view of the twenty-one demands, what construction did you place upon the question of Japan's special interest in China?

"SECRETARY LANSING. Only the special interest that comes from being contiguous to another country whose peace and prosperity were involved.

"SENATOR BORAH. No different special interest from that which we have in Canada?

"SECRETARY LANSING. No.

"SENATOR BORAH. Or which we have in Mexico?

"SECRETARY LANSING. Exactly." [13]

Lansing also testified that Viscount Ishii, in insisting on the inclusion of a recognition of Japan's special interests, did mention that there should be a Monroe Doctrine for the Far East, in response to which Mr. Lansing explained that what special interests the United States had in the Latin-American Republics was not paramount influence, nor exclusive nor special privileges, but rather the preservation to these Republics of the power of self-development and immunity from outside interference:

"At another interview we discussed the phrase 'special interest,' which the Japanese Government had been very insistent upon, and which, with the explanation I have made, I was not very strongly opposed to, thinking that the reaffirmation of the Open Door policy was the most essential thing that we could have at this time; and we discussed the phrase which appeared in the draft note 'special interest,' and I told him then that if it meant 'paramount interest,' I could not discuss it further; but if he meant special interest based upon geographical position, I would consider the insertion of it in the note. Then it was, during that same interview, that we mentioned 'paramount interest' and he made a reference to the Monroe Doctrine, and rather a suggestion that there should be a Monroe Doctrine for the Far East.

"And I told him that there seemed to be misconception as to the underlying principle of Monroe Doctrine, that it was not an assertion of primacy or paramount interest by the United States in its relation to the American republics; that its purpose was to prevent foreign Powers from interfereing with the separate rights of any nation in this hemisphere, and that the whole aim was to preserve to each republic the power of self-development. I said further that so far as aiding in this development the United States claimed no special privileges over other countries." [14]

It is, therefore, clear that the special interests which Lansing recognized as Japan's in China, are no more than, and not different from, the special interests of the United States in the other American republics. It is also plain that the essential principle that he emphasized in the understanding was the principle of non-interference, with the territorial integrity and political independence of China, either by Japan or other Powers—the same cardinal principle which governs the American Monroe Doctrine. It is consequently not unsafe to conclude that in recognizing Japan's special interests in China, due to the geographical proximity, Secretary

Lansing inadvertently extended his recognition to Japan's "Asiatic" Monroe Doctrine.

Let us now compare and contrast Japan's "Asiatic" Monroe Doctrine with the American Monroe Doctrine and try to discover the similarities and differences of the two policies. With respect to similarities, both are based on the principle of self-preservation. Just as the United States would not permit further extension of the European system in the Western hemisphere, for fear that such an occurrence would endanger her own peace and safety,[15] so Japan would not permit any further European aggression in China and Eastern Asia lest it should menace her own tranquillity and well-being. Again, both doctrines are founded on the fundamental principle of non-interference. While permitting the usual intercourse based on international law and even war for redress of wrong, collection of debts, vindication of justice, so long as such acts do not affect territorial integrity and political independence, the United States would not allow other non-American states to interfere with the territorial integrity of sister American Republics, by conquest, or colonization or extension of boundaries, or transfer by purchase; nor would she allow any non-American interference with the political independence thereof by destruction of existing governments, or establishment of new governments, or control of government through political and financial concessions. Likewise, Japan would, while permitting usual commercial and political intercourse, put a similar injunction, as far as possible, on any further European aggression in China and Eastern Asia that would interfere with the territorial integrity and political independence of the same.

With respect to differences, however, there are two fundamental distinctions. In the first place, the American Monroe Doctrine carried a corollary of non-interference in the affairs of purely European or Asiatic

concern. Hence the policy of no entangling alliances. In other words, as the United States would not permit non-American states to interfere with affairs of purely American concern, so the United States reciprocates the measure by abstaining from affairs of purely European or Asiatic concern. Thus the American Monroe Doctrine is founded on the principle of the Golden Rule. This, however, does not place an absolute bar on the United States with reference to intervention in affairs of Europe or Asia. If her own interests should be involved or the cause of humanity at stake, she would not hesitate to intervene—a right sanctioned in international law.

But the "Asiatic" Monroe Doctrine carries no such corollary; at least it does not up to the present moment. Japan did not abstain from affairs of European concern. Instead of avoiding entangling alliances, she entered into an alliance with Great Britain, and another with Russia in 1916. Instead of standing aloof from affairs of European concern, she participated in the World War, not as a disinterested belligerent but as an active ally of Great Britain, ousting Germany from Shantung and guarding the transportation routes between Great Britain and India and Australia. Once more, she concluded agreements with Russia in 1907 and 1910, allowing Russia to perpetrate in Outer Mongolia and North Manchuria what she herself intended to do in Eastern Inner Mongolia and South Manchuria.

In the second place, the American Monroe Doctrine prohibiting non-American states from interference in the Western hemisphere applies the similar injunction on herself with equal force. That is to say, in preaching to other nations the doctrine of non-interference she practices the doctrine herself and thus sets the example. Further, she does not claim any primacy or paramount interest or special privileges. This restriction upon herself, however, does not preclude the possibility of intervention, when her own interests are involved, or when

the Monroe Doctrine is jeopardized. Thus, she temporarily took over the Governments of Haiti and San Domingo, not to extinguish the political independence of these states, but rather to preserve the same, and thus to safeguard the sanctity of the Monroe Doctrine.

But Japan did not place the same restriction upon herself. Instead of observing the doctrine, she assaulted the sovereignty of China by the presentation of Group V of the Twenty-one Demands. Instead of protecting the territorial integrity of China, as Ishii pledged, she entertained territorial designs upon South Manchuria and Eastern Inner Mongolia, and attempted to acquire the sovereignty thereof by the demand for police power. Instead of preserving the Open Door in China for the trade of the world, she resorted to unfair means to attain commercial predominance, to the exclusion and therefore detriment of the merchants of other foreign states. Thus, she did not abstain from interference with the sovereignty and integrity of China, which she asks the other powers to do. In short, she did not practice what she preached, thus failing to set the necessary example.

The conclusion can, therefore, be reached that Japan's "Asiatic" Monroe Doctrine is like the American in that it is based on the principles of self-preservation and non-interference, but unlike the American in that its promoter did not reciprocate its spirit by refraining from interference in affairs of European concern, nor set the example of applying the same restriction on herself.

NOTES TO CHAPTER XV

1, 2. Japan's Mighty Mission, by Honorable Mr. Iichiro Tokutomi, the chief editor and proprietor of the Kokumin Shimbin, Crown Member of the House of Peers of Japan, Peking Post, February 10, 1917, Japan Chronicle, January 19, 1917, quoted in T. Das, Is Japan a Menace to Asia?, Appendix, p. 121 et seq.

3. The Sino-Japanese Negotiations, 1915, p. 21; China Year Book, 1919, p. 567.

4. The Sino-Japanese Negotiations, 1915, p. 28.
5, 6. Ibid., p. 22; pp. 69-70; the China Year Book, 1919, pp. 573-574.
7. Millard, Democracy and Eastern Question, p. 119.
8. J. W. Jenks, Japan in Action, North American Review, Sept., 1919, pp. 318-319.
9. The Imperial Japanese Mission to the United States, 1917, Carnegie Endowment for International Peace; Current History, Vol. 7, 1917-18, p. 356; New York Times, Sept. 30, 1917.
10. The Imperial Japanese Mission to the United States, 1917, Carnegie Endowment, pp. 103-104; Current History, Vol. VII, 1917-18, p. 357; New York Times, October 2, 1917.
11. Hearings on the Treaty of Peace with Germany signed at Versailles on June 28, 1919, before the Senate Committee on Foreign Relations, Sixty-sixth Congress, First Session, Senate Document No. 106, p. 226.
12. Millard, Democracy and the Eastern Question, pp. 162-163, Paul S. Reinsh's Letter to the Chinese Government, Nov. 8, 1917.
13. Hearings, ibid., p. 147.
14. Hearings, ibid., pp. 223-224.
15. Message of James Monroe, Dec. 2, 1823, American Foreign Policy, Carnegie Endowment for International Peace, the Division of Intercourse and Education, Publication No. 17, pp. 5-6.

XVI

THE TWENTY-ONE DEMANDS AS AN EXPONENT OF JAPAN'S POLICIES IN CHINA

So far we have considered the five policies of Japan in China—economic exploitation, territorial expansion, paramount influence, political control and the Asiatic Monroe Doctrine. We shall now examine an historic document which bears all the earmarks of these five policies and which has since become the best exponent thereof; I mean the original Twenty-one Demands.

This document was produced under conditions of world politics which rendered it the fullest and clearest revelation of Japan's intentions and desires in regard to China. It was presented to the Chinese Government, as we all know, on January 18, 1915, when the World War was raging in Europe. In consequence of the war, the great Powers receded from the international rivalry in China and plunged into a life-and-death grapple on the battlefields of Europe, with practically no energy left for further aggressions or exploitation in China. The only great neutral Power as yet not involved was the United States, but she was none the less absorbed in the progress of the European War and had little attention to give to affairs of the Far East. It was this crisis in the world situation, when the tide of European aggression had just ebbed, and when the United States had just relaxed in her resolution to enforce her Open Door doctrine in China, that Japan took advantage of.

When the Powers were present, or free from wars among themselves, Japan dared not disclose her designs as to China, for fear she might meet the united opposition of the Powers; and so she had to wear the mask

and fall in line with the Powers in their common policy of international coöperation, and be contented with her spheres of influence, limited as they might be. But when the World War came she took advantage of the unusual opportunity, or such an opportunity would "not occur for hundreds of years to come." [1] Casting aside all ordinary restraints, and counting upon success in her measure, in a mad rush to solve the Chinese Question at this juncture, she unpremeditatedly discarded her mask and exposed her full intentions and designs regarding China, as we shall see in the original Twenty-one Demands.

Further, the original Twenty-one Demands represented the common attitude of the majority of the Japanese in regard to China. While there were some who had the moral courage and conviction to denounce them, the demands were nevertheless, on the whole, well supported by the greater part of the electorate. When the negotiations rspecting the Twenty-one Demands were in session, Count Okuma dissolved the Diet on an issue of army increase, and appealed to the people for a new House of Representatives that would support him.[2] In his campaign, he purposely avoided the issue of army increase, but founded his plea for support on the value and importance of his China policy. The returns gave him an overwhelming victory. Supporting the Government were the Doshi-kai with 150 votes, the Chusai-kai with 36 and the Independents with 62 most of whom were favorable to the Government. Opposing the Government were the Seiyu-kai with 106 votes and the Kokuminto with 27, thus giving the Government a clear majority of about fifty. And when the special session convened on May 27, 1915, while it was too late to pass upon the China policy, as the negotiations respecting the Twenty-one Demands had already been concluded by the Treaties of May 25, 1915, the House nevertheless passed

the budget estimate for increasing the appropriations for army and navy.[3] Thus, the policy upon which Count Okuma had insisted in December of strengthening the armed forces of the country "in order that our diplomatic dealings may become more effective" received the legislative sanction,[4] or in other words, Count Okuma's China policy as represented by the Twenty-one Demands, or in short, the Twenty-one Demands themselves, received the support of the majority of the Japanese electorate. It can, therefore, be said that the Twenty-one Demands represented the common attitude of the Japanese people regarding China, excepting possibly a small minority.[5]

Besides, when the failure to impose on China Group V of the Twenty-one Demands had subsequently exposed Japan to the bitter antagonism and hatred of the Chinese and the censure of the Powers, the criticism of the Japanese was directed upon the way in which the demands were presented and negotiations handled, rather than upon intrinsic right or wrong of the demands themselves. It can be said that the majority of the Japanese, even after the failure of Group V, still believed that the Twenty-one Demands were right and necessary from the point of view of the welfare of Japan, and what criticism they offered was therefore aimed at the means by which the ends were to be attained, rather than the ends themselves. As a fair illustration, let us note the statement: "Not that these demands were in principle wrong and unjustifiable, but because they were pressed upon China in utter disregard of the susceptibilities of the nation whose friendship she had been professing to value."[6] And this attitude, as we have noticed, was reflected in the policy of Count Terauchi, who, succeeding Count Okuma, changed the tactics from a direct and open attack through diplomatic channels to a covert and indirect assault through loans, arms deal, and alliance with pro-Japanese officials in Peking.

When we submit the original Twenty-one Demands to a close scrutiny, we find that the division into five groups was done in rough correspondence with the five policies of Japan. Whether the Japanese statesmen who drafted them originally did so consciously or unconsciously, we cannot tell, but whatever may be the original purpose of the division, the fact remains nevertheless significant that the fivefold division should coincide roughly with Japan's fivefold policy, as we shall see.

The first group relating to Shantung, which extends Japanese influence into that Province, represents the policy of paramount influence. The second group regarding South Manchuria and Eastern Inner Mongolia exemplifies the policy of territorial expansion. The third group as to the Hanyehping Company symbolizes the policy of economic exploitation. The fourth group dealing with the non-alienation of China's coast represents the "Asiatic Monroe Doctrine." The fifth group represents the policy of political control.

If, however, we should group the demands according to the five policies, then the conclusion is all the more evident that they embody all the five policies of Japan and therefore constitute the best exponent thereof.[7]

The Policy of Economic Exploitation

GROUP II

Article 4: The Chinese Government agrees to grant Japanese subjects the right of opening the mines in South Manchuria and Eastern Inner Mongolia. As regards what mines are to be opened, they shall be decided upon jointly.

GROUP III

Article 1: The two Contracting Parties mutually agree that when the opportune moment arises the Hanyehping Company shall be made a joint concern of the two na-

tions, and they further agree that without the previous consent of Japan, China shall not by her own act dispose of the rights and property of whatsoever nature of the said company nor cause the said company to dispose freely of the same.

Article 2: The Chinese Government agrees that all mines in the neighborhood of those owned by the Hanyehping Company shall not be permitted, without the consent of the said company, to be worked by other persons outside of the said company; and further agrees that if it is desired to carry out any understanding which, it is apprehended, may directly or indirectly affect the interests of the said company, the consent of the said company shall first be obtained.

The Policy of Territorial Expansion

GROUP II

Article 2: Japanese subjects in South Manchuria and Eastern Inner Mongolia shall have the right to lease or own land required either for erecting suitable buildings for trade and manufacture or for farming.

Article 3: Japanese subjects shall be free to reside and trade in South Manchuria and Eastern Inner Mongolia and to engage in business and in manufacture of any kind whatsoever.

GROUP V

Article 3: Inasmuch as the Japanese Government and the Chinese Government have had many cases of dispute between Japanese and Chinese police to settle cases which caused no little misunderstanding, it is for this reason necessary that the police departments of important places (in China) shall be jointly administered by Japanese and Chinese or that the police departments of these places shall employ numerous Japanese, so that they may at the same time help to plan for improvement of the Chinese Police Service.

The Policy of Paramount Influence

GROUP I

Article I: The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions, which Germany, by virtue of treaty or otherwise, possesses in relation to the Province of Shantung.

Article 2: The Chinese Government engages that within the Province of Shantung and along its coast no territory or island will be ceded or leased to a third party under any pretext.

Article 3: The Chinese Government consents to Japan's building a railway from Chefoo or Lungkow to join the Kiaochow-Tsinanfu Railway.

Article 4: The Chinese Government engages in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain important cities and towns in the Province of Shantung as Commercial Ports. What places shall be opened are to be jointly decided upon in a separate agreement.

GROUP II

Article 1: The two Contracting Parties mutually agree that the term of lease of Port Arthur and Dalny and the term of lease of the South Manchuria Railway and the Antung-Mukden Railway shall be extended to the period of 99 years.

Article 5: The Chinese Government agrees that in respect of the (two) cases mentioned herein below the Japanese Government's consent shall be first obtained before action is taken:—

(a) Whenever permission is granted to the subject of a third Power to build a railway or to make a loan with a third Power for the purpose of building

a railway in South Manchuria and Eastern Inner Mongolia.

(b) Whenever a loan is to be made with a third Power pledging the local taxes of South Manchuria and Eastern Inner Mongolia as security.

Article 6: The Chinese Government agrees that if the Chinese Government employs political, financial or military advisers or instructors in South Manchuria and Eastern Inner Mongolia, the Japanese Government shall first be consulted.

Article 7: The Chinese Government agrees that the control and management of the Kirin-Changchun Railway shall be handed over to the Japanese Government for a term of 99 years, dating from the signing of this agreement.

GROUP V

Article 5: China agrees to grant to Japan the right of constructing a railway connecting Wuchang with Kiukiang and Nanchang, another line between Nanchang and Hangchow, and another between Nanchang and Chaochow.

Article 6: If China needs foreign capital to work mines, build railways and construct harbor works (including dock-yards) in the Province of Fukien, Japan shall be first consulted.

Article 2: Japanese hospitals, churches and schools in the interior of China shall be granted the right of owning land.

Article 7: China agrees that Japanese subjects shall have the right of missionary propaganda in China.

The Policy of Political Control

GROUP V

Article 1: The Chinese Central Government shall employ influential Japanese as advisers in political, financial and military affairs.

Article 3: Inasmuch as the Japanese Government and the Chinese Government have had many cases of dispute between Japanese and Chinese police to settle cases which caused no little misunderstanding, it is for this reason necessary that the police departments of important places (in China) shall be jointly administered by Japanese and Chinese or that the police departments of these places shall employ numerous Japanese, so that they may at the same time help to plan for the improvement of the Chinese Police Service.

Article 4: China shall purchase from Japan a fixed amount of munitions of war (say 50 per cent or more) of what is needed by the Chinese Government or that there shall be established in China a Chino-Japanese jointly worked arsenal. Japanese technical experts are to be employed and Japanese material to be purchased.

The Policy of Asiatic Monroe Doctrine

GROUP IV

The Chinese Government engages not to cede or lease to a third Power any harbor or bay or island along the coast of China.

It may, therefore, be said that the original Twenty-one Demands constitute to-day the best one-piece historic document that embodies all the five policies of Japan in China. Produced as they were under the favorable opportunity of the World War, supported as they were by the majority of the Japanese electorate, revealing as they did in the clearest and fullest manner the intentions and desires of the Japanese people regarding China at that time, and divided as they were into five groups in rough correspondence with the five policies of Japan, we can hence reaffirm our conclusion that they constitute to-day the best exponent of Japan's policies in China.

NOTES TO CHAPTER XVI

1. Putnam Weale, The Fight for the Republic in China, p. 128.
2. Hornbeck, Contemporary Politics in the Far East, p. 176.
3. Hornbeck, Contemporary Politics in the Far East, pp. 176-179.
4. Ibid., p. 179.
5. Ibid., p. 179. For instance, Prof. K. Hayashi of Keio University, and a member of the Diet, tendered his resignation to his party and registered his protest: "Why were such abominable demands in the first place framed by the Cabinet? . . . It is absolutely an insult to our neghbor's sovereignty. Those desires, if accepted, were, that China would consent to be a protectorate of Japan."
6. Kawakami, Japan in World Politics, p. 168; Japan and World Peace, p. 167.
7. The Original Twenty-one Demands can be found in the Chino-Japanese Negotiations, 1915, pp. 19-22.

XVII

THE WISDOM OF JAPAN'S POLICY IN CHINA

It is but fitting and proper that we should conclude this Part with a discussion of the wisdom of Japan's policy in China. As the shortest road to convince people is to appeal to their self-interest, we propose to treat the subject from the point of view of the welfare and destiny of Japan, rather than from the point of view of China's interests, or those of the Far East, or of the world.

As we recall, Japan's policies in China turn on two fundamental problems, the population problem of Japan herself and the Chinese question. As we have also seen, the population problem of Japan results in the adoption of two policies towards China—those of economic exploitation and territorial expansion. Regarding the policy of economic exploitation, we have no quarrel with Japan. In fact, we entertain for her the highest good-will and the expectation that she may succeed in converting herself from an agricultural to an industrial and commercial nation. Particularly with reference to Japan's needs for iron, coal and steel, we sympathize with our neighbor and are quite willing to extend our coöperation. What we desire in this matter is that Japan should try to reach her ends in fair and legitimate ways. As long as she does so, we have absolutely no grievances, but on the contrary, we wish our neighbor unprecedented success.

What we do oppose is Japan's policy of territorial expansion in South Manchuria and Eastern Inner Mongolia which form integral parts of China. She claims that inasmuch as she has preserved the integrity of

Manchuria by her sacrifice in the Russo-Japanese War, she is entitled to the territory.[1] But she should recall that she fought the war, not primarily for the preservation of Manchuria, but rather for self-preservation. The indirect effect happened to be the preservation of Manchuria, but that does not entitle her to the ownership and sovereignty of South Manchuria and Eastern Inner Mongolia. The best she can ask is that she should be compensated for her sacrifice in forms of economic concessions in these regions, and these China has already granted. To claim that inasmuch as she has preserved South Manchuria in a war of self-defense she is therefore entitled to the territory, is to claim more than justice and equity would allow her.

Further, these regions, while not yet thickly populated, are nevertheless quite well peopled by about 20,000,000 Chinese.[2] For Japan to expand her territorial limits so as to include this territory is to bring under her jurisdiction regions already well occupied by the Chinese. Hence any attempt on the part of Japan to annex these lands will meet the hostile opposition of the people therein and the Chinese residing in China proper. For Japan to cut these integral parts of China from the body of the Chinese nation will create a condition of Chinese *irridenta,* which will set up eternal walls of hatred between the two peoples. Besides, even though she might be able to absorb these regions, Japan would be confronted with the alternatives of being ousted by the united resistance of the Chinese in these regions and in China proper, or of subjugating the Chinese in China proper. As Japan is bound to attempt the subjugation of the Chinese in China proper as a measure of self-defense, the annexation of South Manchuria and Eastern Inner Mongolia will inevitably lead to eventual struggle between the Chinese and the Japanese. Unless, therefore, the Japanese are prepared to go the length of fighting the Chinese people and making them eternal

enemies, her policy of territorial expansion in South Manchuria and Eastern Inner Mongolia is fraught with serious perils.

Furthermore, just as Japan needs an outlet for her surplus population, so China needs an outlet for her own. If Japan's increasing population needs Manchuria for an outlet, China's 400,000,000 will likewise increase and need the same relief. If Japan's claim to Manchuria, as based on the need of an outlet for surplus population, be valid, then China's claim to the same territory, in addition to her recognized ownership and occupation thereof, is ten times better than that of Japan. Supporting this claim of China, it is well said by an impartial observer: [3]

"Told, as we have been over and over, that Japan must have an outlet for her excess of population and that Manchuria is the natural outlet, it is well to bear in mind that China also has a crowded population and that in the new condition in which the awakening Chinese people find themselves a movement toward the relief of the present congested conditions is bound to manifest itself in an attempt at redistribution. This will mean pressure outward. Manchuria is a natural outlet for the excess of China's population more truly than that of Japan; and, as far as rights to this open field are concerned, China has the better claim. The pressure of excess population seeking an emigration outlet will probably be greater from China than from Japan—for there are 400,000,000 Chinese as compared with 70,000,000 Japanese and Koreans, and the former are also no less adept at 'replenishing the earth' than are the latter.

". . . To enter Manchuria the Chinese have but to step through the breach in the great wall at Shanhaikwan or to sail across the ninety miles of water between the Shantung Peninsula and the Liaotung Peninsula. As many Chinese farmhands come and go between Chili and Shantung Provinces and Manchuria each year as there are Japanese in South Manchuria after ten years of occupation. What people, then, would it seem, have the best

natural right to Manchuria; and what people, if events are left to their natural course, will settle this great potential outlet for excess population?"

Moreover, Japan does not need other land, and especially land well occupied by the Chinese, for purposes of finding an outlet for her surplus population. Japan has unused land within her own confines sufficient to support the growing population of Japan for the next half century. According to the estimates of Professor F. H. King, Japan has now about 15,400 square miles of cultivable land unused and with that, when used, she can support a total population of from one hundred to one hundred and fifty million, whereas the population numbered on December 31, 1918, only 57,070.936.[3A] Professor King's testimony follows:[4]

"The Island Empire of Japan stretches along the Asiatic Coast through more than twenty-nine degrees of latitude from the southern extremity of Formosa northward to the middle of Saghalien, some 2,300 statute miles; or from the latitude of middle Cuba to that of north Newfoundland and Winnipeg; but the total land area is only 175,428 square miles and less than that of the three states of Wisconsin, Iowa and Minnesota. Of this total land area only 23,698 square miles are at present cultivated; 7,151 square miles in the three mainlands are weed and pasture lands. Less than fourteen per cent of the entire land area is at present under cultivation.

"If all lands having a slope of less than fifteen degrees may be tilled, there yet remain in the four main islands 15,400 square miles to bring under cultivation, which is an addition of 65.4 per cent to the land already cultivated.

. . . . . .

"The lands yet to be reclaimed are being put under cultivation rapidly, the amount improved in 1907 being 64,448 acres. If the new lands to be reclaimed can be made as productive as those now in use, there should be opportunity for an increase in population to the extent of about 35,000,000 without changing the present ratio of 3.4 people to the acre of cultivated land.

"While the remaining lands to be reclaimed are not as inherently productive as those now in use, improvements in management will more than compensate for this, and the empire is certain to quite double its present maintenance capacity and provide for at least a hundred million people with many more comforts of home and more satisfaction for the common people than they now enjoy.

"Since 1872 there has been an increase in the population of Japan amounting to an annual average of about 1.1 per cent, and if this rate is maintained the one hundred million mark would be passed in less than sixty years. It appears probable, however, that the increased acreage put under cultivation and pasturage combined will more than keep pace with the population up to their limit, while the improvements in methods and crops will readily permit a second like increment to her population, bringing that for the present empire up to one hundred and fifty million. Against this view, perhaps, is the fact that the rice crop of the twenty years ending in 1906 is only thirty-three per cent greater than the crop of 1838."

Thus, the testimony of Professor King clearly shows that Japan has enough land available for cultivation not yet used which can yield support to at least twice as many people for the next half century. Besides, Japan holds Formosa, Korea and South Saghalien, which offer a further opportunity for an expansion of population of from 20,000,000 to 25,000,000.[5]

More than this, Japan has so far failed to prove her capacity as a colonizing race. Despite her occupation of Formosa since 1895, and her efforts to stimulate emigration thereto, through subsidies and financial assistances of all sorts, only 148,831 Japanese (on December 31, 1918) have been induced to settle there, constituting but 4.06 per cent of the total population.[6] Similarly, in the case of Korea, in spite of the fact that it is the size of the British Isles, it has only about one-third of the people of Britain,[7] although it is only eleven hours' sailing from Shimonoseki. In all, 332,456 Japanese[8] (on

December 31, 1917) had settled there. Likewise, in the case of Manchuria, in spite of fifteen years or so of exploitation and colonization, the number of Japanese residing there is reported to be only 122,367[9] (June, 1918).

This evident failure of Japan's attempts at colonization is due to three main reasons. The first is a climatic one. Japan is a warmer land than either Korea or Manchuria, where cold weather prevails in winter. For this reason, Japanese farmers prefer Japan to Korea or Manchuria. The second reason is the clan psychology of the Japanese. They do not like to leave their relatives and native land for life. They prefer to remain at home, if possible; and if driven to Korea or Manchuria, they will stay there only as long as is necessary to accumulate a certain amount of money, and then return to Japan. The third reason, probably the strongest, is the inability of the Japanese to compete with the Chinese. Given equal terms, the Chinese invariably excel the Japanese, both in wage-earning capacity and work. In face of this invincible economic competition, Japanese settlers have either to retire (which many of them do) or to secure Governmental aid or to resort to unfair means, which many of them not unfrequently employ to gain a livelihood.[10] In short, given equal terms, the Japanese have almost always proved to be the inferior to the Chinese in economic competition.

"Amongst many things that impresses one on visiting Manchuria, after an interval of years, most significant is the evidence which confronts one on every side of the economic inferiority of the Japanese, when competing with the Chinese, either as merchants, farmers, artisans, or manual laborers. The Japanese have firmly established their Imperium in Imperio throughout Southern Manchuria: . . . but the basic factor of the situation lies ever in the Chinaman's ant-like qualities of sober thrift and ceaseless labor." [11]

It is, therefore, quite evident that however Japan may attempt to absorb Manchuria, none but the Chinese will ever really inherit the land.

What is worse, any attempt on the part of Japan to annex South Manchuria and Eastern Inner Mongolia will be fatal to herself. Not only will this create hatred between the two peoples, but will inevitably cause the downfall of Japan. She fought Russia for the integrity of China in Manchuria, and now eats her own words and desires to annex the very same territory which she did not allow Russia to take. If Russia met her defeat by the seizure and occupation of Port Arthur and Dalny after she had dispossessed Japan of the same, would Japan not meet the same fate if she should follow the path that once led Russia to defeat?

Obviously, the solution of Japan's problem of excess population should not take the form of territorial expansion in South Manchuria and Eastern Inner Mongolia, where she is bound to meet the opposition of the Chinese. It should rather take the form of industrial and commercial expansion. In this regard, she should follow the beaten path of other nations who have successfully solved the same problem. Take for example Germany. Prior to 1880, before her industrial and commercial development, large numbers of Germans had to emigrate, but after industries were established, the population increased from about forty to approximately seventy millions, and, instead of emigration, immigration began. Belgium and Holland, more thickly populated than Japan, do not have to resort to emigration, the increase of their population being absorbed by the growing industries. If Japan would learn from the experiences of other nations, she would abandon her policy of territorial expansion and devote her energies to the policy of industrial and commercial expansion.

Conceding, for argument's sake, that Japan must have an outlet for her surplus population, for which, as we have shown, there is as yet no necessity, Japan ought

not direct her policy of territorial expansion toward regions already well occupied by the Chinese or other people; rather she should seek territories unoccupied or only sparsely populated. Still better, she should purchase the land to be occupied by the Japanese, thus avoiding the seizure of any territory which she cannot occupy without a clear conscience. Finally, should she fail to find any such unoccupied or sparsely populated land for colonization, or should she fail to effect purchases, she could send her surplus population to South Manchuria and Eastern Inner Mongolia, provided they were willing to settle under the Chinese sovereignty.

Passing from the population problem of Japan, we now come to the Chinese question. For reasons previously stated, she considers the Chinese question as one vitally affecting her own welfare and destiny, in consequence of which she maintains the policy of an Asiatic Monroe Doctrine toward the Western Powers and that of political control toward China. Regarding the policy of her Asiatic Monroe Doctrine, if it were a genuine one, we would have no quarrel with Japan, but, on the contrary, we would have full respect therefor; but as regards her policy of political control, we differ and take open issue.

In the first place, granting for argument's sake that the political instability of a state, as it affects the welfare and safety of a neighboring nation, justifies political control, there is as yet no imminent necessity for such a step in the case of China. However dark the outlook of her political conditions may be, for Japan to assault Chinese sovereignty in 1915 by the presentation of Group V of the Twenty-one Demands is nothing less than a flagrant disregard of the sensitiveness of the Chinese. The United States acquired political control of Haiti and San Domingo, but this was done only when her Monroe Doctrine was in danger and only in order to preserve the sovereignty of these states and not to domi-

nate or subjugate them. Japan desired to play a rôle in China similar to that of the United States in Haiti and San Domingo, but Japan made a premature move, when there was as yet no exigency, and especially when Japan had failed to live up to a genuine Asiatic Monroe Doctrine.

In the second place, frankly speaking, Japan is not qualified nor worthy to obtain political control of China. Though she desired political control primarily to forestall Western control, she nevertheless had the unworthy intention of controlling China so that she might always be able to keep her a subordinate and a tool of Japan. Thus, she desired control, not for the welfare of China, but for her own interest—not to hold it as a secred trust, but as a means of exploiting China's immense natural resources and to dominate all the races of the Orient.[12] Again, Japan's record in Korea has been such that few fair-minded men will contend that she is qualified to extend her control any further into the mainland of Asia. Instead of treating the Koreans as equals and of the same race, as she now professes in regard to the Chinese, she treated them as inferiors—the hewers of wood and drawers of water for the Japanese. Instead of preserving the integrity and nationality of Korea, as she professes in the case of China, she aimed to absorb Korea and to exterminate Korean nationality.[13] In view of such a glaring abuse of political power over a subject people, unless she changes her Korean policy, the impartial mind cannot but declare Japan unworthy and disqualified to acquire further political control over other peoples in Eastern Asia.

In the third place, were Japan qualified, her policy of political control would no doubt meet the bitter opposition of the Chinese. They are determined to preserve their independence and sovereignty, just as any self-respecting people would. Nay, pacific as they are, they are ready to fight and die for their home and liberty.

They began the Revolution of 1911, partly to overthrow the yoke of the Manchus, but largely to gain the reins of government so that they could save themselves from partition or control. Will a people capable of doing this be so low as not to resist foreign control, particularly that of Japan? The student strike and economic boycott following the Shantung decision further evidenced the true spirit of Chinese nationalism. Can a nation that is able to rise as one man to protest against the wreckage of their heritage and injustice to their national cause be so supine as not to give a death blow to any Power that would deprive them of their independence? It is certain that any policy on the part of Japan to control China will meet the united resistance of 400,000,000 democratic and liberty-loving Chinese.

In the fourth place, Japan's policy to control China will inevitably encounter the opposition of Western Powers. China is such a large and rich country and the commercial interests of the other Powers therein are so immense that the Western nations will not permit Japan to control her alone. Should there be any necessity for control, the Powers would unite and effect a scheme of international control, rather than allow Japan to control China alone. "In the long run, if China requires 'advice' or control, it must come from an international concert. . . ."[14] Again, the formation of the New International Banking Consortium at the close of the World War should convince the Japanese that the Western Powers would not let Japan gain a stranglehold on China's finance, but, if necessary, would internationalize the control. The failure to exempt South Manchuria and Eastern Inner Mongolia from the scope of the New Consortium should further convince Japanese statesmen that the Powers, by the advent of the New Consortium, are determined to forestall any attempt on the part of Japan to gain territorial expansion or political control in China.

Finally, were she able to overcome these obstacles and acquire control of China, it is doubtful whether Japan would be able to solve the Chinese question. Fundamentally, the Chinese must solve their own questions, determine their own destiny, work out their own salvation. Japan may render assistance in the solution, but she can scarcely perform the task which the Chinese must do for themselves.

The solution of Chinese questions does not lie in political control. It lies rather in sympathetic assistance and coöperation. It does not permit of insolent affront to the sovereignty of China. It rather calls for the protection of a genuine "Asiatic" Monroe Doctrine. It does not require that Japan should be the overlord and master of China. It rather desires that Japan should be the helpmeet and friend of China.

Turning now from the Chinese question, we come to Japan's policy of paramount influence. As we have seen, this policy is a product partly of the population problem of Japan and partly of the Chinese question. Based on the needs of a surplus population, this policy aims to acquire the largest sphere of influence and trade predominance. Founded on the necessity of the Chinese question, this policy proposes to secure a leading rôle or a special position in China. Regarding this policy we do not differ with Japan. We grant that she may gain paramount influence in China if she is capable of doing so. Our only request is that she should do so in a fair and legitimate way.

First of all, she must not achieve her paramountcy in trade by unfair means.[15] She must not try to exclude foreign competition by preferential rates or other means of prejudicial discrimination. On the contrary, she must maintain the principle of the equal opportunity of trade, as required by the Open Door doctrine.

Secondly, she must not attempt to achieve her paramount influence by disregarding Chinese sovereignty.

She should not have occupied the Tsingtau-Tsinan Railway lying within Chinese jurisdiction and in defiance of the repeated protests of China. She should not have established police stations in Shantung and Manchuria [16] in evident usurpation of Chinese sovereignty, nor should she have stationed her troops along the Chinese Eastern Railway, which was assigned to the protection of the Chinese Government.

Finally, to claim special interests in China, she must fulfill special duties toward that country. As right and duty are correlatives, Japan cannot enjoy special rights in China without fulfilling special duties. As it is, however, she not only has failed to fulfill special duties arising from geographical propinquity and racial kinship, but has grossly disregarded her duties and trespassed upon the rights of China. Her seizure of the German railway and mines in Shantung, her police stations, her troops along the Chinese Eastern Railway, not to mention Group V of the Twenty-one Demands—all testify so loud against the violation of her special obligations that she has almost forfeited any special rights that she might have acquired by reason of her sacrifices in the Russo-Japanese War, or by virtue of geographical propinquity and racial kinship. If, therefore, Japan desires to claim special rights in China, she must fulfill special duties arising out of such propinquity and kinship. In other words, the similar natural advantages that give her, as claims, special rights in China impose on her corresponding special duties. Thus, provided Japan observes the principle of equal opportunity of trade and the integrity of China and fulfills the special duties required by her special rights, China will have no objection to any attempt on the part of Japan to gain a position of paramount influence.

Thus far, we have dealt with the errors of Japan in solving her own population problem and the Chinese

question, and in reaching the position of paramount influence in China. We will now go deeper into these causes and probe the more fundamental wrongs. As policies are national attitudes of one state toward the other formulated usually in the best interest of each state, the more fundamental errors of Japan's policy in China lie in the attitude of the Japanese, or at least of the responsible Japanese statesmen. In other words, the wrongs are moral.

The first fundamental error is Japan's selfishness. She is intent upon the satisfaction of her own needs. In a passion of blind selfishness, she overlooks the rights of China. She needs coal, iron and steel. She feels she has a right to obtain the same from China, by fair means or foul. She needs an outlet for her surplus population; so she demarcates South Manchuria and Eastern Inner Mongolia as her colonies, and steadily encroaches upon these regions, giving no heed to Chinese sovereign rights. When she desires to attain a paramount position in China, she does so by excluding foreign influence and by infringing upon China's sovereignty. As she desires, for her own welfare and dominance, to gain the political control of China, she commits open and covert assaults on China's sovereignty. She regards her own interests so much that she neglects those of China and sometimes attains her own ends at the expense of her neighbor. In other words, she does not regard the rights of China as her own, but rather as a means to her own gain and ascendency. To put it in another way, she subordinates the rights and interests of China to those of her own. This is not the application of the Golden Rule, but rather its subversion and violation.

The second fundamental error is her attitude of contempt toward the Chinese. Having defeated China in 1895, she does not regard her as an equal. Having overcome Russia in 1905, her attitude toward China grows worse. In the eyes of some Japanese, the Chinese are

destined to suffer the fate of the Koreans. That is the reason why the Japanese Government has not infrequently deliberately insulted China and wantonly obstructed the legitimate exercise of China's sovereign power. For instance, when China notified the Japanese Government of the cancellation of the war zone,[17] she resented and called this perfectly legitimate action on the part of the Chinese Government "improper, arbitrary, betraying, in fact, want of confidence in international good faith regardless of friendly relations," declaring also "that even if your Government actually cancels the communications concerning the creation of a war zone, the Imperial Government will not permit the movement and actions of their troops within a necessary period to be affected or restricted by such act of cancellation." [18]

Japan must realize, however, that the Chinese people, however disorganized, are man for man the equal of the Japanese, both in intellect, physical power and moral caliber, and are capable of becoming as great a nation as Japan, if not greater. In the face of much plain facts, why should Japan entertain contempt for China and thus possibly sow the seed of her own fall? The late Bishop Bashford said: ". . . It is incredible that the Chinese people, outnumbering the Japanese sixfold, man for man equaling if not surpassing them in industry and commerce, having been stronger as a military power than Japan over twenty-nine hundred of her three thousand years of history, should reverse history and the laws of survival and remain permanently weaker than Japan." [19]

The third fundamental error is Japan's attitude of hopelessness in regard to China. She is so convinced of her inevitable destruction that she regards her attempt to gain political control of the latter as a benevolent act. She is so sure of China's incapacity to regenerate herself that, except for her intervention, she believes that China is bound to fall under the control of the Western Powers. In view of this firm conviction, she feels no

guilt in attempting to seize the reins of government in China. On the contrary, she feels it so imperative a remedy for China's illness that she must postpone Group V for future discussion. However correct the diagnosis of the Japanese statesmen in relation to the condition of the Peking Government, she nevertheless fails to see the source of salvation already visible in the Chinese body politic,—the rising spirit of Chinese nationalism. Bankruptcy and downfall may threaten the Chinese Government, but the Chinese people, awakened and fully determined to preserve their own liberty, will one day turn calamities into blessings. If Japanese statesmen could only see this better side of the Chinese national life, they would probably change their attitude of pessimism and antagonism to one of hopefulness and friendliness.

The last, but not the least, fundamental error is the general lack of good-will on the part of Japan towards the Chinese. With the exception of a minority, there are numerous Japanese who would not desire to see a strong and united China, but would rather see China weak, divided, and, still better, controlled by Japan. Prince Yamagata said: "Japan wants a weak and incapable China; and a weak China under a weak emperor, subject to Japan's influence, would be the ideal state." [20] Viscount Ishii said: "Japan could not regard with equanimity the organization of an efficient Chinese army such as would be required by her active participation in the war, nor could Japan fail to regard with uneasiness a liberation of the economic activities of the nation of 400,000,000 people." [21] "Japan views with great alarm the moral awakening of the four hundred million Chinese," said Baron Makino.[22-23] From these utterances of the highest Japanese authorities, one cannot but conclude, though most reluctantly, that Japan entertains little good-will towards China. Yet Japan must realize that the rise of China as a great power is inevitable. Just

as the nineteenth century witnessed the rise of Germany, Italy and Japan, so the twentieth century shall witness the rise of modern China. There is no force on earth, except the Chinese themselves, that can hold back this outcome. Will Japan stand in the way of China's progress? Such an attitude is unworthy of so great a people as the Japanese who profess to exemplify the canons of Bushido and who have demonstrated such prowess in the Russo-Japanese War.

The first step in the revision of Japan's policy is to change her entire attitude toward China. She must do away with these fundamental errors. She must liberate herself from the bondage of selfishness and regard the rights and interests of China as sacred as her own. Into the bargain, she must discard her contempt for the Chinese and assume an attitude of due respect and cordiality. Further, she should not concentrate her mental gaze on the corruption and inefficiency of the Chinese Government, so evident now, thus inducing an attitude of hopelessness regarding the future, but should rather note the promising and vigorous aspect of Chinese national life—the younger generation and the awakened nationalism. Lastly, she should not desire to see China weak and divided, but she should rather cherish abounding good-will and become her friend and counselor in her period of reconstruction.

Having thus fundamentally changed her national attitude towards China, Japan should then revise her policy. She cannot apply her five policies at the same time, as she has so far attempted to do. They are irreconcilable and inconsistent with one another. She cannot adopt the policy of territorial expansion and political control, and yet at the same time expects to achieve commercial expansion or to enforce the Asiatic Monroe Doctrine. Similarly, she cannot adopt the policy of economic exploitation or of commercial expansion and the "Asiatic" Mon-

roe Doctrine, and yet at the same time aim to seek territorial expansion and political control. She must choose the one or the other.

Should she choose the policy of territorial expansion and political control, she should then abandon the policy of commercial expansion, outright, for such a policy will inevitably kill the good-will of the Chinese and hinder commercial relations. Similarly, she should honestly disavow the "Asiatic" Monroe Doctrine, for a policy of territorial expansion and political control will so violate the principle of her "Asiatic" Monroe Doctrine that it will become like sounding brass. Besides, she must be fully prepared to fight the Chinese, as the latter are determined to preserve their homes and liberty. In that case, she will have to lay upon herself and her people the crushing burden of militarism, with the inevitable consequences of exorbitant taxation, the high cost and low standard of living, a low intellectual and moral standing, and the backwardness of industry and degeneration of race.[24] She must further be prepared to meet the united opposition of the Great Powers, particularly Great Britain and the United States, who, pledged as they are to the Open Door doctrine, will not let Japan alone to extend her territorial limits in China or gain the political control there. It is practically certain that any attempt on the part of Japan to seek territorial expansion or political control will result in the ruin of Japanese trade in China, the nullification of her "Asiatic" Monroe Doctrine, the bitter opposition of the Chinese, the curse of militarism and the opposition and disapprobation of the Powers.[25]

On the other hand, should Japan adopt the policy of commercial expansion and an "Asiatic" Monroe Doctrine, she must first abandon the policy of territorial expansion and political control, which, as we have seen, are inconsistent and irreconcilable with the policy of commercial expansion and her "Asiatic" Monroe Doctrine. Hav-

ing done so, she can then consistently seek the good-will of the Chinese by the maintenance of a *genuine* Monroe Doctrine which she proposes to employ as a means to protect the territorial integrity and political independence of China. Having thus won the good-will of the Chinese, her commercial expansion and position of paramount influence will naturally and inevitably follow. In other words, she should revert to the days preceding her victories over Russia and observe strict adherence to the principles of the Open Door, with this difference, however, that the passive pledge to respect the integrity and independence of China should be changed to a positive engagement to protect the same. In this case, Japan can remain in peace with China and maintain friendship with the other Powers. Thus can she attain her destiny of becoming the leader and protector of the Far East for the next generation.

At this parting of the ways, which road will Japan take? It is fondly hoped and sincerely prayed that her sagacious statesmen will make the right choice.

NOTES TO CHAPTER XVII

1. Vide supra, chapter on the Policy of Territorial Expansion.
2. Statesmen's Year Book, 1920, p. 75.
3. Hornbeck, Contemporary Politics in the Far East, p. 271.
3A. Statesmen's Year Book, 1920, on Dec. 31, 1918, p. 1018.
4. F. H. King, The Farmers of Forty Centuries, pp. 424-426.
5. Bashford, China, An Interpretation, p. 396.
6. Japan Year Book, 1920-21, p. 723, on Dec. 31, 1918.
7. Korea, 16, 619, 431, Japan Year Book, 1920-21, p. 703, Dec. 31, 1917; British Isles, 45, 516, 259, Statesmen's Year Book, 1920, p. 13, census taken April 2, 1911.
8. Japan Year Book, 1920-21, p. 703, on Dec. 31, 1917.
9. Japan Year Book, 1920-21, p. 34, June, 1918, Returns by the Foreign Dept. of Japan.
10. Vide supra, chapter on the Policy of Paramount Influence.
11. Millard's Review, Oct. 9, 1920, p. 309, J. O. P. Bland, on China's New Strong Man—Chang Tso-hin, quoted from North China Daily News.

12. Vide supra, chapter on the Policy of Political Control.
13. For a full account of Japan in Korea, see Mackenzie, Korea's Fight for Freedom.
14. Editorial, "The Nation," London, May 8, 1915, quoted in Millard, Our Eastern Question, pp. 239-241.
15. Vide supra, chapter on the Policy of Paramount Influence.
16. Editorial, Millard's Review, Feb. 19, 1921, p. 637 et seq.
17. The Shantung Question, Presented by China to the Paris Peace Conference, published by the Chinese Natl. Welfare Soc. of America, March, 1920, App., Note of Jan. 7, 1915, p. 61.
18. Ibid., pp. 61-62, Note of Jan. 9, 1915.
19. Bashford, China and Interpretation, p. 409.
20. Millard, Our Eastern Question, p. 168.
21. Millard, Democracy and the Eastern Question, p. 99.
22, 23. H. K. Tong, article on How Japan's Policy Is Undermining Her Position in China, Millard's Review, Aug. 9, 1919, p. 388.
24. Cf. Tokio Nichi Nichi, translated in Japan Weekly Chronicle, quoted in Millard's Review, Oct. 23, 1920, pp. 402-403, the Statement of Osaki Yukio: "The low intellectual and moral standing of this nation and the backwardness of various industries here are due to many causes. But the most important of them is the sway militarism holds over the country. . . . Militarism has never long kept company with national prosperity, as conclusively proved by the history of the Tsing Dynasty of China, of Germany, Russia, Austria and Turkey. Militarism is a principle ruinous to the state."
25. While defense may be made that the United States, in spite of the Monroe Doctrine, extended westward in accordance with her manifest destiny and at the expense of Mexico, the vital difference must be pointed out that the United States extended in the direction of practically unoccupied or most sparsely populated regions, and not infrequently by way of purchases, whereas Japan aims to extend over regions well occupied and populated by the Chinese and in deliberate violation of China's sovereign rights.

VITA

MINGCHIEN JOSHUA BAU was born March 18, 1894, in Yuyao, Chekiang, China. He received his primary education from his own mother. He graduated from the Preparatory Department of St. John's College, Shanghai, in 1910, and from Tsing Hua College in 1913. In 1914, he was sent by the Chinese Government to this country as an indemnity student. He entered Yale as a freshman in that year, graduating with honors in 1918. The following year he studied in Union Theological Seminary, New York, and also took a full course in political science in Columbia University, receiving his M. A. degree from the latter in 1919. In the fall of that year, he returned to Yale, where he again did double work, completing his theological course in the Divinity School, graduating therefrom with the degree of B. D. in June, 1920, while completing, at the same time, another year of full work in the Graduate School in public finance, history and public law. Studying at Johns Hopkins University in 1920-21, and holding an International Law Fellowship from the Carnegie Endowment for International Peace, he did his third year of graduate work in political science, and wrote his dissertation on "The Foreign Relations of China."

A WORLD PEACE OF RIGHTEOUSNESS AND JUSTICE INCLUDES CHINA.

Her Imperative Need For Tariff Autonomy.

Present Tariff, Dictated By Outsiders, Working Havoc With Her Welfare

By ANDREW B. HUMPHREY,
Executive Director of The China Society of America.

Adjustment of the finances of China in keeping with the requirements of a modern state is one of the prerequisites of a world peace.

The nearness of European conditions and problems is apt to impair the perspective of the Far Eastern situation in the eyes of the Allied peace conference. But the fact is that President Wilson's declaration with respect to Russia is equally true of China. Without China at peace within and without the world cannot secure peace for itself.

In fact, the righting of inequities in the Orient is one of the two buttresses of the bridge by which we are to enter upon a new era of international fellowship. Quite as much as in Europe is the rectification of false policies to be obtained for Asia by the surgery of simple righteousness. If the Peace Council at the Quai d'Orsay sets the European house in order but neglects or glosses over the situation in the Orient it will leave the vigorous roots of a world war that cannot well be deferred beyond a decade or generation at the most.

THE RIGHT TO SELF-REALIZATION.

Yet the remedy is as simple as it is righteous. Restore to China as rapidly as is safely possible the financial autonomy which was wrested from her three-quarters of a century ago, under the guise of which she has been continuously made the victim of some of the crookedest of international intrigue and exploitation under duress.

Given financial freedom, her political integrity is a hundred times more likely to realize an early fruition. Deny her the power to make proper use of her fiscal and financial affairs and she remains a giant bound hand and foot for lack of responsibility to defend and develop herself. The right to self-realization transcends all else as the law of national being.

THE CONVENTIONAL CHINESE TARIFF.

One of the most serious of her grievances is the existing conventional tariff.

Broadly speaking there are two kinds of tariff: the statutory and the conventional. Statutory tariff is regulated by the legislation of a state without outside interference, and is based on the right of taxation enjoyed by all sovereign states. Such a tariff is elastic and may be utilized for revenue, for the protection of infant industries, or for furthering the political and economic interests of a state through reciprocal or preferential arrangements. A conventional tariff, on the other hand, is established by treaties with other countries. It inelastic. It is this conventional tariff system that is in force in China at the present time and is working havoc with her internal welfare and threatening her from without.

In 1842 China sustained a crushing defeat at the hands of the British and was forced to agree not to levy a tariff exceeding five per cent *ad valorem* on imported and exported goods. It was further stipulated in the Nanking Treaty of 1842 that the tariff rate was to be uniform and not to be changed without the previous consent of the High Contracting Parties.

EFFECT OF "FAVORED NATION" CLAUSE.

Through the operation of the so-called "most-favored-nation" clause, whereby a privilege granted to one nation is automatically extended to other nations, this conventional tariff has become applicable to goods imported from all foreign countries that have treaty relations with China.

The present tariff, which is still in operation pending the adoption of a revised schedule worked out by the International Tariff Commission appointed in 1917, was fixed in 1902 in accordance with Article VI of the Protocol of 1901. This stipulates that "all the duties on importations levied *ad valorem* will be converted into specific duties as far as it is possible to do so and without the least delay. This conversion will be established as follows: the average value at the time of their disembarkation during the three years 1897, 1898, 1899, will be taken as the basis of the valuation; that is to say, the value on the market, deduction being made of the import duties and the accessory expenses." Since 1902 the prices of most commodities have doubled and in some cases have even trebled while the tariffs fixed at that time still obtain. Hence the actual tariff rate is estimated at only three and a half per cent, often less.

The Treaty of 1842 compelling China to adopt a conventional tariff was modified in 1902 by the Mackay Treaty concluded between Great Britain and China, followed by like conditions in treaties with the United States, Japan and Portugal. Great

Britain and the other nations named agreed that China should have the right t levy a surtax of seven and a half per cent on imported goods upon the fulfillment o the following conditions: (1) if the "likin" (internal tariff tax levied at points i the interior) should be abolished; (2) if all "most-favored nations" should join in th undertaking; and (3) if their assent were not to depend on "any political concessio or any exclusive commercial concession." It further provided for a complete revisio of the tariff at the end of ten years. In 1912 the question of revision was brought u but nothing was accomplished. As a matter of fact China never received the benefi of this right to levy a surtax of seven and a half per cent.

EFFECT OF WORLD WAR.

In August, 1917, after China had declared war on Germany, the Allied powers wer persuaded to agree to the raising of the tariff to an effective five per cent.

The question at once arose as to what was to be the basis for revision. Th determination of this formula took fully five months, the chief cause of the deadloc in April last year being the insistence of Japan that the import of cotton yarn an the export of cotton, iron and wool should be exempted from duty and that the price of commodities existing in 1917 should not be taken as a basis for revision. Of th fifteen powers represented at the Conference a vote was taken early in the spring fourteen powers voting in the affirmative and Japan alone voting in the negative the question being whether or not to take the former basis of tariff as adopted i 1902 and simply add a surtax of something like 40 per cent to take care of increase valuations. Japan would not agree to this, and the work of the Commission wa held up as the result. The final agreement, reached in June, 1918, was to the effec that the values of goods are to be based on their values in 1912-13-14-15-16, these value to be revised wholly or in part two years after the termination of the war.

In the first place the conventional tariff provides for a uniform rate of five pe cent on imported and exported goods which is entirely too low for revenue purpose In the second place, it does not distinguish raw materials from manufactured good nor luxuries from necessities. Consequently it fails to do justice to the poor peopl who have to depend for their existence upon the necessities, and it affords no pro tection for Chinese infant industries which are just beginning to develop in tha country.

CONDITIONS AN INTERNATIONAL MENACE.

These intolerable conditions are partially responsible for the political intrigue carried on through the various foreign loans that threaten to destroy the fiscal inde

pendence of the Republic of China. How outrageous to speak of the Chinese incompetency in finance when she is thus bound not to raise money as do other nations! Could Japan or the United States so readily meet their obligations on a 3 per cent tariff? The United States' average is 12½ per cent; Japan's 15 per cent.* Justice must not be denied to China. If China is to be given a fair chance to work out her own salvation she must have the power to raise a proper revenue by her tariff.

This will be beneficial not only to the Chinese nation but also to all the treaty powers concerned. A stable government based on sound finance will enable the Chinese people to improve their production and transportation facilities, develop their natural resources and increase both the volume and the value of their international trade and commerce. The fact that "likin" has been a great obstacle to both internal and external trade and that its abolition must necessarily be accomplished by increasing the tariff rate as a compensation makes it even more necessary that these crippling tariff restrictions on China should be abolished.

CONCERNS THE WORLD.

It is clear to every thoughtful person that if China is unable to develop her resources she will have no foundation for foreign trade. She will be hampered in giving that splendid contribution toward the development of the world which she is so abundantly endowed to make for peace, justice, philosophy, art, business honor and thrift.

It is unbelievable that the great moral and awakening business forces sweeping throughout the world will continue to deny justice to China. To help China the world may well heed the words of Washington's farewell address to "observe good faith and justice to all nations." The Peace Conference representatives at Paris, we believe, appreciate that they are not patching up a temporary truce but are building for humanity and the ages. Both justice and self interest demand that China should have restored to her as rapidly as can be safely managed the tariff autonomy to which every free and self-respecting nation is justly entitled.

*U. S. Senate Document 366, March 24, 1916.

THE CHINA SOCIETY OF AMERICA,
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